

CLIENT/MATTER MEMORANDUM

FOR NEW CLIENTS ONLY, MARK APPROPRIATE BOX

<input type="checkbox"/> P PERCENTAGE	<input type="checkbox"/> H NON-PERCENTAGE
TYPE OF CLIENT	TYPE OF LAW
A ACTOR	1 FEATURE
B BUSINESS GENERAL	2 TV
D DIRECTOR	3 TAX
E EXECUTIVE	4 REAL ESTATE
L PLAYWRITER	7 CORPORATE
M MUSICIAN	100 ENTERTAINMENT
O OTHER INDIVIDUAL	200 BUSINESS
PR PRODUCER	300 ESTATE PLANNING
W SCREENWRITER	

Form Must be Typewritten

APPROVED BY INTAKE COMMITTEE

YES NO

Acctg

CLIENT INFORMATION

NEW EXISTING 3744 CLIENT #

CLIENT NAME Iviewit.com WORK PHONE _____

BILLING ADDRESS ATTN: _____

CITY _____ STATE _____ ZIP CODE _____

BUS. MGR./ACCOUNTANT ORIGINATING ATTORNEY AJE AGENT ATTORNEY # _____

MATTER INFORMATION

MATTER NAME Series C MATTER # 26 TO BE ASSIGNED

BILLING ATTORNEY _____ ATTORNEY # _____

ADDITIONAL ATTORNEYS _____ ATTORNEY #'s _____

FOLDER INFORMATION

FILE TITLE _____ FOLDER # _____ TO BE ASSIGNED

SUB FILE TITLES _____

RETURN FILE LABELS TO: Porane FILE LOCATION AJE

CHECK FOR CONFLICTS YES NO

CHANGES/CLOSING INFORMATION

CHANGES: CLIENT NAME MATTER OTHER

CLOSING: CLIENT MATTER

CLIENT NAME _____ CLIENT NO. _____

MATTER NAME _____ MATTER NO. _____

OTHER _____

SEND FILES TO: CLIENT ATTORNEY STORAGE

IF SENT TO STORAGE, WHAT IS RETENTION PERIOD? _____

MEMO PREPARED BY Emmanuel DATE 5/22/01

APPROVED BY [Signature] BILLING ATTORNEY SIGNATURE



SERIES C

3744-0026.0000
IVIEMIT.COM

(138 - MMM)

Epstein, Alan

From: Powell, Hank [HPowell@cb-ventures.com]
Sent: Monday, May 07, 2001 11:35 AM
To: eliot.bernstein@verizon.net
Cc: rmiller567@earthlink.net
Subject: FW: Iviewit Holdings, Inc.



Warrant Agreement
V2.doc

-----Original Message-----

From: Mark Berenson [mailto:mberenson@wg-law.com]
Sent: Monday, May 07, 2001 2:35 PM
To: 'bill@kasser.com'
Cc: Hank Powell (E-mail); Daniel Wuersch
Subject: Iviewit Holdings, Inc.

Dear Mr. Kasser:

Attached for your review, please find a draft of the Warrant Agreement for Alpine Venture Capital Partners LP.

In the interest of time, I am simultaneously sending this draft to you and our client, and therefore, it remains subject to his review and approval.

If you have any questions, please call Daniel Wuersch or me.

Very truly yours,

Mark R. Berenson

<<Warrant Agreement V2.doc>>

Wuersch & Gering LLP
11 Hanover Square, 21st Floor
New York, NY 10005
mberenson@wg-law.com <mailto:mberenson@wg-law.com>
Tel. 212-509-5050
Fax 212-509-9559
www.wg-law.com <http://www.wg-law.com>

This message and any attachments hereto contain confidential information and information which may be subject to the attorney-client privilege. It is intended for the individual or entity named above. If you are not the intended recipient, please do not read, copy, use or disclose this communication to others; also please notify the sender by replying to this message, and then delete it from your system. Thank you.

Iviewit / Series C (??)

Draft/May 7, 2001

Void after 5:00 p.m.

On May __, 2006

**Warrant to Purchase Shares of Common Stock or
Private Financing Securities**

Date: May ____, 2001

THIS WARRANT HAS BEEN ISSUED PURSUANT TO SECTION 4(2) OF THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). NEITHER THIS WARRANT NOR ANY SHARES OF COMMON STOCK OR PRIVATE FINANCING SECURITIES ISSUED UPON THE EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE ACT OR ANY STATE SECURITIES LAWS. THIS WARRANT MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED UNLESS REGISTERED UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

**WARRANT TO PURCHASE SHARES OF COMMON STOCK OR PRIVATE
FINANCING SECURITIES**

OF

IVIEWIT HOLDINGS, INC.

a Delaware Corporation

This is to certify that, FOR VALUE RECEIVED, ALPINE VENTURE CAPITAL PARTNERS LP, a Delaware limited partnership, or assigns ("Holder"), is entitled to purchase, subject to the provisions of this Warrant, from IVIEWIT HOLDINGS, INC., a Delaware corporation (the "Company") with offices at _____, for an aggregate maximum exercise purchase price (the "Maximum Exercise Purchase Price") of \$330,000, (i) in the event of a Change of Control (as defined), fully paid, validly issued and non-assessable shares of common stock, \$. ____ par value, of the Company (the "Common Stock") or (ii) fully paid, validly issued and non-assessable equity securities issued by the Company in the first private financing after the date hereof (the "Private Financing") in which the Company issues any type of equity securities or securities convertible into or exercisable for Common Stock (the "Private Financing Securities", together with the Common Stock, the "Shares"), at any time through and including May __, 2006 ("Exercise Period") and in each case at an aggregate Exercise Price (as defined) not exceeding the Maximum Exercise Purchase Price.

The exercise price (the "Common Stock Exercise Price") for each share of Common Stock in the event of a Change of Control shall be equal to 70% of the fair market value of the consideration payable to the Company's stockholders for each share of Common Stock, subject to adjustment

pursuant to paragraph (f) below. The Exercise Price for Private Financing Securities (the “Private Financing Exercise Price”) shall be equal to 70% of the consideration payable by investors for each share of Private Financing Securities, subject to adjustment pursuant to paragraph (f) below. The number of Private Financing Securities or shares of Common Stock to be received upon exercise of this Warrant and the price to be paid for each Private Financing Security or share of Common Stock may be adjusted from time to time as hereinafter set forth. The shares of Common Stock or Private Financing Securities deliverable upon such exercise, and as adjusted from time to time, are hereinafter sometimes referred to as “Warrant Shares.” The Private Financing Exercise Price and the Common Stock Exercise Price are herein sometimes collectively referred to as the “Exercise Price”. For purposes of this Warrant, “Change of Control” shall mean any recapitalization, reorganization, reclassification, consolidation, merger, sale of all or substantially all of the Company's assets to another person and any transaction which is effected in such a way that holders of more than fifty percent (50%) of the shares of Common Stock then outstanding are entitled to receive (either directly or upon subsequent liquidation) cash, stock, securities or assets of another person with respect to or in exchange for Common Stock

(a) Exercise of Warrant.

(1) Exercise. This Warrant may be exercised in whole or in part at any time during the Exercise Period, and during the Exercise Period the Holder shall have the right to exercise this Warrant into the kind and amount of shares of Common Stock or Private Financing Securities and other securities and property (including cash) receivable by a holder of the number of shares of Common Stock or Private Financing Securities for which this Warrant might have been exercisable immediately prior thereto. This Warrant, subject to the provisions hereof, may only be exercised by presentation and surrender hereof to the Company at its offices, with the Exercise Form annexed as Exhibit A-1 hereto duly executed and accompanied by payment of the applicable Exercise Price for the number of shares of Common Stock or Private Financing Securities specified in such form and delivery instructions consistent with this paragraph (a)(1). As soon as practicable after each such exercise of the Warrant, but not later than three (3) business days from the date of such exercise (and in any event no later than the effective date of a Change of Control), the Company shall issue and deliver to the Holder a certificate or certificates for the Warrant Shares issuable upon such exercise, registered in the name of the Holder or its designee; provided, however, that, unless the Warrant Shares are registered under the Act and any applicable blue sky or state securities laws or an exemption from such registration is available, the Company shall not be required to deliver any Warrant Shares. The Common Stock, Private Financing Securities and any Warrants issued in exchange for this Warrant shall be issued with such restrictive legends as are required by the Act or the Regulations thereunder. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the rights of the Holder thereof to purchase the balance of the Warrant Shares purchasable thereunder. Upon receipt by the Company of this Warrant, in proper form for exercise and accompanied by the documentation set forth in this paragraph (a)(1) and delivery instructions consistent with this paragraph (a)(1), the Holder shall be deemed to be the holder of record of the Warrant Shares issuable upon such exercise, notwithstanding that the stock transfer books of the

Company shall then be closed or that certificates representing such Warrant Shares shall not then have been physically delivered to the Holder.

(2) Conversion Right. In lieu of payment of the applicable Exercise Price, the Holder shall have the right (but not the obligation), to require the Company to convert this Warrant, in whole or in part, into shares of Common Stock or Private Financing Securities (the “Conversion Right”) as provided for in this Section (a)(2). Upon exercise of the Conversion Right, the Company shall deliver to the Holder (without payment by the Holder of the applicable Exercise Price) that number of Warrant Shares equal to (i) the percentage portion of the Warrant being converted multiplied by (ii) the quotient obtained by dividing (x) the value of the Warrant at the time the Conversion Right is exercised (determined by subtracting the aggregate applicable Exercise Price in effect immediately prior to the exercise of the Conversion Right from the aggregate Market Price (as defined in Section (c) below), for the shares of Common Stock or Private Financing Securities issuable upon exercise of the Warrant immediately prior to the exercise of the Conversion Right) by (y) the Market Price of one share of Common Stock or Private Financing Security immediately prior to the exercise of the Conversion Right.

(3) Exercise of Conversion Right. The Conversion Rights provided under Section (a)(2) above and this Section (a)(3) may be exercised in whole or in part and at any time and from time to time while the Warrant remains outstanding. In order to exercise the Conversion Right, the Holder shall surrender to the Company, at its offices, this Warrant accompanied by a duly completed Conversion Notice in the form attached hereto as Exhibit A-2. The presentation and surrender shall be deemed a waiver of the Holder’s obligation to pay all or any portion of the aggregate Maximum Exercise Purchase Price payable for the Warrant Shares being issued upon such exercise of this Warrant. This Warrant (or so much thereof as shall have been surrendered for conversion) shall be deemed to have been converted immediately prior to the close of business on the day of surrender of this Warrant for conversion in accordance with the foregoing provisions. As promptly as practicable on or after the conversion date, the Company shall issue and shall deliver to the Holder (i) a certificate or certificates representing the largest number of whole shares of Common Stock or Private Financing Securities to which the Holder shall be entitled as a result of the conversion, and (ii) if such Warrant is being converted in part only, a new Warrant exercisable for the number of shares of Common Stock or Private Financing Securities equal to the unconverted portion of the Warrant certificate. If this Warrant is exercised in whole, in lieu of any fractional shares of Common Stock or Private Financing Securities to which the Holder shall be entitled, the Company shall pay to the Holder cash in accordance with the provisions of Section (c) hereof.

(b) Reservation of Shares. The Company shall at all times reserve for issuance and/or delivery upon exercise of this Warrant such number of shares of Common Stock or Private Financing Securities as shall be required for issuance and delivery upon exercise of the Warrant.

(c) Fractional Shares. No fractional shares or script representing fractional shares shall be issued upon the exercise of this Warrant. With respect to any fraction of a share called for upon any exercise hereof, the Company shall pay to the Holder an amount in cash equal to such fraction multiplied by the current market value of a share, determined as follows (“the Market Price”):

- (1) If the Common Stock or Private Financing Securities are listed on a securities exchange or admitted to unlisted trading privileges on such exchange or listed for trading on the NASDAQ Stock Market, the current market value shall be the last reported sale price of the Common Stock or Private Financing Securities on such exchange or system on the last business day prior to the date of exercise of this Warrant or if no such sale is made on such day, the average closing bid and asked prices for such day on such exchange or system; or
- (2) If the Common Stock or Private Financing Securities is not so listed or admitted to unlisted trading privileges, the current market value shall be the mean of the last reported bid and asked prices reported on the NASDAQ Bulletin Board or a comparable reporting system, on the last business day prior to the date of the exercise of this Warrant; or
- (3) If the Common Stock or Private Financing Securities is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the current market value shall be an amount not less than book value thereof as at the end of the most recent fiscal year of the Company ending prior to the date of the exercise of the Warrant, determined in such reasonable manner as may be prescribed by the Board of Directors of the Company; provided that under no circumstances shall the Market Price of the Common Stock issuable upon conversion of this Warrant in the event of a Change of Control be less than the fair market value of the consideration payable to the holders of the Common Stock in such Change of Control; and provided further that under no circumstances shall the Market Price of the Private Financing Securities be less than the fair market value of the consideration payable by investors in the Private Financing.

(d) Exchange, Transfer, Assignment or Loss of Warrant. This Warrant is exchangeable, without expense, at the option of the Holder, upon presentation and surrender hereof to the Company for other warrants of different denominations entitling the holder thereof to purchase in the aggregate the same number of shares of Common Stock or Private Financing Securities purchasable hereunder. Upon surrender of this Warrant to the Company at its principal office or at the offices of its stock transfer agent, if any, with the Assignment Form annexed hereto duly executed and funds sufficient to pay any transfer tax, the Company shall, without charge, execute and deliver a new Warrant in the name of the assignee named in such instrument of assignment and this Warrant shall promptly be canceled. The term "Warrant" as used herein includes any Warrants into which this Warrant may be divided or exchanged. Upon receipt by the Company of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of reasonably satisfactory indemnification, and upon surrender and cancellation of this Warrant, if mutilated, the Company will execute and deliver a new Warrant of like tenor and date. Any such new Warrant executed and delivered shall constitute an additional contractual obligation on the part of the Company, whether or not this Warrant so lost, stolen, destroyed, or mutilated shall be at any time enforceable by anyone.

(e) Rights of the Holder. Except as set forth herein, the Holder shall not, by virtue hereof, be entitled to any rights of a shareholder in the Company, either at law or equity, and the rights of the Holder are limited to those expressed in the Warrant and are not enforceable against the Company except to the extent set forth herein.

(f) Anti-Dilution Provisions. The Private Financing Exercise Price or the Common Stock Exercise Price in effect at any time and the number and kind of securities purchasable upon the exercise of the Warrants shall be subject to adjustment from time to time upon the happening of certain events as follows:

(i) Adjustment of Exercise Price. If, at any time after a Private Financing or a Change of Control, as the case may be, but prior to the exercise in full of this Warrant, the Company issues or sells, or in accordance with Section (f)(ii) is deemed to have issued or sold, any shares of Common Stock or Private Financing Securities (including options, warrants or convertible securities) for a consideration per share less than the Private Financing Exercise Price or the Common Stock Exercise Price, as the case may be, in effect immediately prior to the time of such issuance or sale, then immediately upon such issuance or sale the Common Stock Exercise Price or the Private Financing Exercise Price, as the case may be, shall be reduced to a price equal to the price or deemed price per share of Common Stock or Private Financing Securities issued or sold in such issuance or sale.

(ii) Effect on Exercise Price of Certain Events. For purposes of determining the adjusted Common Stock Exercise Price or the Private Financing Exercise Price, as the case may be, under Section (f)(i), the following shall be applicable:

(1) Issuance of Rights or Options. If the Company in any manner grants any rights or options to subscribe for or to purchase Common Stock, Private Financing Securities or any stock or other securities convertible into or exchangeable for Common Stock or Private Financing Securities (such rights or options being herein called "Options" and such convertible or exchangeable stock or securities being herein called "Convertible Securities") and the price per share for which Common Stock or Private Financing Securities is issuable upon the exercise of such Options or upon exercise or exchange of such Convertible Securities is less than the Private Financing Exercise Price or the Common Stock Exercise Price, as the case may be, in effect immediately prior to the time of such issuance or sale, then the total maximum number of shares of Common Stock or Private Financing Securities issuable upon the exercise of such Options or upon exercise or exchange of such Convertible Securities issuable upon the exercise of such Options shall be deemed to be outstanding and to have been issued and sold by the Company for such price per share.

For purposes of this paragraph (ii)(1), the lowest "price per share for which Common Stock or Private Financing Securities are issuable upon exercise of such Options or upon exercise or exchange of such Convertible Securities" shall be equal to the sum of the lowest amounts of

consideration (if any) received or receivable by the Company with respect to any one share of Common Stock or Private Financing Security upon the granting or sale of the Option, upon exercise of the Option and upon conversion or exchange of any Convertible Security issuable upon exercise of such Option. To the extent that an adjustment of the applicable Exercise Price shall have been made upon the issuance of such Options or Convertible Securities, no further adjustment of the applicable Exercise Price shall be made upon the actual issuance of such Common Stock or Private Financing Securities following the exercise of such Options or upon the actual issuance of such Common Stock or Private Financing Securities upon exercise or exchange of such Convertible Securities.

- (2) Issuance of Convertible Securities. If the Company in any manner issues or sells any Convertible Securities and the "price per share for which Private Financing Securities are issuable upon such exercise or exchange" is less than the Private Financing Exercise Price in effect immediately prior to the time of such issuance or sale or the "price per share for which Common Stock is issuable upon such exercise or exchange" is less than the Common Stock Exercise Price in effect immediately prior to the time of such issuance or sale, then the maximum number of shares of Common Stock or Private Financing Securities issuable upon exercise or exchange of such Convertible Securities, as the case may be, shall be deemed to be outstanding and to have been issued and sold by the Company for such price per share. For the purposes of this paragraph, the "price per share for which Common Stock or Private Financing Securities are issuable upon such exercise or exchange" shall be equal to the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to one share of Common Stock or Private Financing Securities upon the issuance or sale of the Convertible Security and upon conversion or exchange of such Convertible Security. To the extent that an adjustment of the Private Financing Exercise Price or the Common Stock Exercise Price, as the case may be, shall be made upon the issuance of such Convertible Securities, no further adjustment of the Private Financing Exercise Price or the Common Stock Exercise Price shall be made upon the actual issuance of such Common Stock or Private Financing Securities upon exercise or exchange of such Convertible Securities.
- (3) Change in Option Price or Exercise Price. If the purchase price provided for in any Options, the additional consideration, if any, payable upon the issue, exercise or exchange of any Convertible Securities, or the rate at which any Convertible Securities are convertible into or exchangeable for Common Stock or Private Financing Securities changes at any time, the Private Financing Exercise Price or the Common Stock Exercise Price in effect at the time of such change, as the case may be, shall be readjusted to the Private Financing Exercise Price or the Common Stock Exercise Price,

as the case may be, which would have been in effect at such time had such Options or Convertible Securities still outstanding provided for such changed purchase price, additional consideration or changed Private Financing Exercise Price or Common Stock Exercise Price, as the case may be, at the time initially granted, issued or sold.

- (4) Treatment of Expired Options and Unexercised Convertible Securities. Upon the expiration of any Option or the termination of any right to convert or exchange any Convertible Securities without the exercise of such Option or right, the Private Financing Exercise Price or the Common Stock Exercise Price then in effect shall be adjusted to the Private Financing Exercise Price or the Common Stock Exercise Price which would have been in effect at the time of such expiration or termination had such Option or Convertible Securities never been issued.
- (5) Calculation of Consideration Received. If any Common Stock, Private Financing Securities, Options or Convertible Securities are issued or sold or deemed to have been issued or sold for cash, the consideration received therefor shall be deemed to be the net amount payable by the purchaser or purchasers thereof after deducting underwriting discounts, commissions or other expenses of sale. In case any Common Stock, Private Financing Securities, Options or Convertible Securities are issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Company shall be the fair value of such consideration, except where such consideration consists of securities, in which case the amount of consideration received by the Company shall be the Market Price thereof as of the date of receipt. In case any Common Stock, Private Financing Securities, Options or Convertible Securities are issued to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving entity the amount of consideration therefor shall be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such Common Stock, Private Financing Securities, Options or Convertible Securities, as the case may be. The fair value of any consideration other than cash or securities shall be determined by the Board of Directors of the Company in the good faith exercise of its business judgment.
- (6) Integrated Transactions. In case any Option is issued in connection with the issue or sale of other securities of the Company, together comprising one integrated transaction in which no specific consideration is allocated to such Option by the parties thereto, the Option shall be deemed to have been issued for no consideration.

(iii) Adjustment for Stock Splits and Combinations. In case the Company shall (A) declare a stock dividend or make a distribution on its outstanding shares of Common Stock in

shares of Common Stock or on its Private Financing Securities in Private Financing Securities, (B) subdivide or reclassify its outstanding shares of Common Stock or Private Financing Securities into a greater number of shares, or (C) combine or reclassify its outstanding shares of Common Stock or Private Financing Securities into a smaller number of shares, the Private Financing Exercise Price or the Common Stock Exercise Price, as the case may be, in effect at the time of the record date for such dividend or distribution or of the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the applicable Exercise Price by a fraction, the denominator of which shall be the number of shares of Common Stock or Private Financing Securities outstanding after giving effect to such action, and the numerator of which shall be the number of shares of Common Stock or Private Financing Securities outstanding immediately prior to such action. Such adjustment shall be made successively whenever any event listed above shall occur.

(iv) Certain Events.

- (1) Whenever the applicable Exercise Price payable upon exercise of this Warrant is adjusted pursuant to this Section (f), the number of shares purchasable upon exercise of this Warrant shall simultaneously be adjusted by multiplying the number of shares initially issuable upon exercise of this Warrant by the applicable Exercise Price in effect on the date hereof and dividing the product so obtained by the applicable Exercise Price, as adjusted.
- (2) Whenever the applicable Exercise Price is adjusted, as herein provided, the Company shall promptly cause a notice setting forth the adjusted applicable Exercise Price and adjusted number of shares issuable upon exercise of each Warrant to be mailed to the Holder, at its last address known to the Company, and shall cause a certified copy thereof to be mailed to its transfer agent, if any. The Company may retain a nationally recognized firm of independent certified public accountants selected by the Board of Directors (other than the regular accountants employed by the Company) to make any computation required by this Section (f), and a certificate signed by such firm shall be conclusive evidence of the correctness of such adjustment.
- (3) In the event that at any time, as a result of an adjustment made pursuant to this Section (f), the Holder of this Warrant thereafter shall become entitled to receive any shares of the Company, other than Common Stock or Private Financing Securities, as the case may be, thereafter the number of such other shares so receivable upon exercise of this Warrant shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Common Stock contained in this Section (f).
- (4) Irrespective of any adjustments in the applicable Exercise Price or the number or kind of securities purchasable upon exercise of this Warrant, Warrants theretofore or thereafter issued may continue to express the same price and number and kind of shares as are stated in the similar Warrants initially issuable pursuant to this Agreement.

(g) Officer's Certificate. Whenever the Private Financing Exercise Price or the Common Stock Exercise Price, as the case may be, shall be adjusted as required by the provisions of Section (f), the Company shall forthwith mail to the holder of this Warrant and file in the custody of its Secretary or an Assistant Secretary at its principal office and with its stock transfer agent, if any, an officer's certificate showing the adjusted Private Financing Exercise Price or the Common Stock Exercise Price, as the case may be, determined as herein provided, setting forth in reasonable detail the facts requiring such adjustment, including a statement of the number of additional shares of Common Stock or Private Financing Securities, if any, and such other facts as shall be necessary to show the reason for and the manner computing such adjustment. Each such officer's certificate shall be made available at all reasonable times for inspection by the holder or any holder of a Warrant.

(h) Notices to Warrant Holders. So long as this Warrant shall be outstanding, (i) if the Company shall pay any dividend or make any distribution upon the Common Stock or Private Financing Securities or (ii) if the Company shall offer to all the holders of Common Stock or Private Financing Securities, as the case may be, for subscription or purchase by them any share of any class or any other rights or (iii) in the event of a capital reorganization of the Company, reclassification of the capital stock of the Company, consolidation or merger of the Company with or into another corporation, sale of a majority of the Company's Common Stock or a substantial part of the property and assets of the Company or the voluntary or involuntary dissolution, liquidation or winding up of the Company, then in any such case, the Company shall cause to be mailed by certified mail to the holder, at least ten business days prior to the date specified in (x) or (y) below, as the case may be, a notice containing a brief description of the proposed action and stating the date on which (x) a record is to be taken for the purpose of such dividend, distribution or rights, or (y) such reclassification, reorganization, consolidation, merger, sale, dissolution, liquidation or winding up is to take place and date, if any is to be fixed, as of which the holders of the Common Stock or Private Financing Securities or other securities shall receive cash or other property deliverable upon such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up. Notwithstanding the above, the failure to give such notice shall not affect the validity of any transaction for which the notice was required to be given.

(i) Reclassification, Reorganization or Merger. In case of any reclassification, capital reorganization, restructuring or other change of the outstanding shares of Common Stock or Private Financing Securities of the Company, or in case of any consolidation or merger of the Company with or into another corporation, in which merger the Company is not the continuing corporation, the Company shall, as a condition precedent to such transaction, cause effective provisions to be made so that the Holder shall have the right thereafter by exercising this Warrant at any time prior to the expiration of the Warrant, to purchase the kind and amount of shares of stock and other securities and property receivable upon such reclassification, capital reorganization and other change, consolidation, merger or sale by a holder of the number of shares of Common Stock or Private Financing Securities which might have been purchased upon exercise of this Warrant immediately prior to such reclassification, change, consolidation, merger or sale. Any such provision shall include provision for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Warrant. The foregoing

provisions of this Section (i) shall similarly apply to successive reclassification, capital reorganizations and changes of shares of Common Stock and Private Financing Securities and to successive consolidations, mergers or sales. In the event that in connection with any such capital reorganization and any shares of Common Stock or Private Financing Securities shall be issued in exchange, conversion, substitution or payment, in whole or in part, for a security of the Company other than Common Stock or Private Financing Securities, any such issue shall be treated as an issue of Common Stock or Private Financing Securities covered by the provisions of Subsection (1) of Section (f) hereof.

(j) Registration Rights.

The Company covenants and agrees as follows:

(i) Definitions. For purposes of this paragraph (j):

(A) The terms “register,” “registered,” and “registration” refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act of 1933, as amended (the “Act”), and the declaration or ordering of effectiveness of such registration statement or document;

(B) The term “Registrable Securities” means (A) any shares of Common Stock issuable upon exercise of this Warrant or the exercise or conversion of any Private Financing Securities and (B) any shares of Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of such shares of Common Stock, in each case held by the Holder (as defined below);

(C) The term “Holder” means any holder of Registrable Securities (whether the initial holder of this Warrant or any subsequent acquiror of this Warrant or, prior to any registration thereof, any Registrable Securities).

(ii) Demand Registration. If at any time on or after the earlier to occur of (x) the date that is six months after an underwritten initial public offering of shares of Common Stock or (y) the date that is six months from the earlier to occur of the closing date of the Private Financing or the effective date of a Change of Control, the Company shall receive a written request from the Holders of at least a majority of the Registrable Securities then outstanding that the Company file a registration statement under the Act covering such number of Registrable Securities specified by them, then the Company shall use its best efforts consistent with the terms contained in this Section (j) to effect the registration under the Act of all Registrable Securities which such Holders request to be registered (the “Demand Registration”).

(A) If the Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they will so advise the Company as a part of their Demand Registration request made pursuant to this Section (j)(ii). The Holders shall (together with the Company) enter into an underwriting agreement in customary form

with an underwriter or underwriters selected by the Company with the consent of the Holders, which consent shall not be unreasonably withheld. The Company and holders of shares other than Registrable Securities who hold registration rights granted to them by the Company may participate in any offering hereunder at the expense of the Company, to the extent permitted by law and as may be limited by the next succeeding sentence. Notwithstanding any other provision of this Section (j)(ii), in the event that the managing underwriter advises the Holders and the Company in writing that in the underwriters' opinion the number of shares requested to be included exceeds the number that can be sold in such offering, then the number of shares of Registrable Securities that the underwriter believes may be sold shall be allocated for inclusion in the registration statement in the following order of priority: (x) shares requested to be included by the Holders on a pro rata basis that in the opinion of such underwriter can be sold prior to the inclusion of any securities of the Company or any other security holder of the Company; (y) shares sold for the account of the Company that in the opinion of such underwriter can be sold prior to the inclusion of any securities of any other security holder of the Company; and (z) pro rata among any other holders of securities of the Company exercising contractual incidental registration rights other than any holders whose shares are included pursuant to clause (x) above.

(B) The Company is obligated to effect no more than two Demand Registrations of Registrable Securities pursuant to this Section (j)(ii).

(C) Notwithstanding the foregoing, the Company shall not be obligated to effect a Demand Registration: (x) within 180 days after effectiveness of a registration pursuant to demand registration rights in respect of the Registrable Securities or another Person having such rights; or (y) within 180 days after effectiveness of a registration referred to in Section (j)(ii).

(iii) Piggyback Registration Rights.

(A) At any time and from time to time after the date of this Warrant, whenever the Company proposes to file a registration statement with the Securities and Exchange Commission (the "Commission") for a public offering and sale of securities of the Company (other than any registration statement on Form S-4 or Form S-8, or their successors) (a "Registration Statement"), the Company will prior to such filing give written notice to the Holder of its intention to do so and, upon the written request of the Holder given within fifteen (15) days after the Company provides such notice, the Company shall use its best efforts to cause all Registrable Securities which the Company has been requested by the Holder to register to be registered under the Act to the extent necessary to permit their sale or other disposition in accordance with the intended methods of distribution specified in the request of the Holder; provided that the Company shall have the right to postpone or withdraw any registration effected pursuant to this Section (j)(iii) without obligation to the Holder.

(B) In connection with any registration under this Section (j)(iii) involving an underwritten offering of the Company's securities, the Company shall not be required to include any shares covered hereby in such underwriting unless the Holder accepts the

terms of the underwriting as agreed upon between the Company and the underwriters selected by it, and then only in such quantity as will not, in the sole discretion of the underwriters, jeopardize the success of the offering by the Company. If in the reasonable discretion of the managing underwriter or underwriters the registration of all, or part of, the shares covered hereby which the Holder has requested to be included would adversely affect such public offering, then the Company shall be required to include in the underwriting only that number of shares covered hereby, if any, which the managing underwriter or underwriters reasonably believe may be sold without causing such adverse effect.

(iv) Whenever the Company is required by the provisions of this Warrant to effect the registration of any of the shares covered hereby under the Securities Act, the Company shall:

(A) file with the Commission a Registration Statement with respect to the Registrable Securities covered hereby and use its best efforts to cause that Registration Statement to become and remain effective;

(B) prepare and file with the Commission any amendments and supplements to the Registration Statement and the prospectus included in the Registration Statement as may be necessary to keep the Registration Statement effective until the earlier to occur of (a) such time as all shares covered hereby and included therein have been sold or (b) the expiration of two years;

(C) furnish to the Holder such reasonable numbers of copies of the prospectus, including a preliminary prospectus and any amended or supplemental prospectus, in conformity with the requirements of the Act, and such other documents as the Holder may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities covered thereby; and

(D) use its best efforts to register or qualify the Registrable Securities covered by the Registration Statement under the securities or Blue Sky laws of such states as the Holder shall reasonably request, and do any and all other acts and things that may be necessary or desirable to enable the Holder to consummate the public sale or other disposition of the shares covered hereby in such jurisdiction; provided, however, that the Company shall not be required in connection with this Section (j) to qualify as a foreign corporation in any jurisdiction nor register or qualify the securities in any state which as a condition to such registration or qualification would impose material restrictions or other material conditions on the Company or any of its officers, directors or shareholders (including with respect to any shares held by such persons or entities) unless such restrictions or other conditions are approved by the party adversely affected.

If the Company advises the Holder that any preliminary or final prospectus is no longer in compliance with the requirements of the Act, or that at such time it is otherwise a violation of any applicable securities laws to offer or sell securities pursuant to a preliminary or final prospectus, the Holder shall immediately cease offering or selling the shares covered hereby and, if requested, return all old prospectuses to the Company. The Holder may recommence offers and sales of the shares covered hereby upon receipt from the Company of an amended prospectus, if applicable, or receipt of ratification from the

Company that the offer and sale of the shares covered hereby may resume.

(v) The Company will pay all Registration Expenses of all registrations under this Warrant. The term “Registration Expenses” shall mean all expenses incurred by the Company in complying with this Warrant, including, without limitation, all registration and filing fees, exchange listing fees, printing expenses, fees and disbursements of counsel for the Company and the fees and expenses of the Holder’s own counsel, state Blue Sky fees and expenses, and the expense of any special audits incident to or required by any such registration, but excluding underwriting discounts and selling commissions attributable to the Registrable Securities covered thereby.

(vi) The Holder shall promptly furnish to the Company such information regarding the Holder and the distribution proposed by the Holder as the Company may reasonably request in writing and as shall be required in connection with any registration, qualification or compliance referred to in this Warrant.

(vii) The Company shall not be required to effect a particular registration of Registrable Securities pursuant to this Section (j) if it shall deliver to the holder or holders requesting such registration a written opinion of counsel to the effect that the Registrable Securities requested by such holder to be so registered may be sold in the U.S. public securities market without restriction or registration under the Securities Act and any applicable state securities laws. This limitation shall not affect any other Registrable Securities held by such holder.

(viii) Upon the issuance of any Private Financing Securities to any Holder, such Holder shall be entitled, pro rata, to the registration rights granted by the Company to the investors in the Private Financing.

(k) Private Financing. The Company shall notify the Holder no later than 15 days after the occurrence of a Private Financing, specifying the amount and type of shares issued, the purchase price paid by investors therefor, the conversion price (if any) and all other terms of such Private Financing. Within 5 days upon request therefor by the Holder, the Company shall furnish to the Holder a true and complete copy of the entire documentation of such Private Financing.

(l) Callable Warrant. This Warrant may not be called by the Company at any time.

(m) Assignment. This Warrant may only be assigned to a transferee who has executed an Assignment Form, substantially in the form of Exhibit B attached hereto.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed and attested by the undersigned, being duly authorized, as of the date below.

IVIEWIT HOLDINGS, INC.

By: _____
Name:
Title:

ATTEST:

By: _____
Name:
Title:

EXERCISE FORM

Dated: _____

The undersigned hereby irrevocably elects to exercise the within Warrant to the extent of purchasing [_____ shares of Common Stock] [or _____ shares of Private Financing Securities] and hereby makes payment of \$ _____ in payment of the actual exercise price thereof.

Exercise Price: _____
Maximum Exercise Purchase Price: _____
Balance of Maximum Exercise Purchase Price: _____
Price Receiving: _____

The undersigned hereby represents and warrants that it is an accredited investor, as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended.

INSTRUCTIONS FOR REGISTRATION OF STOCK

Name

(Please typewrite or print in block letters)

Address

Signature

CONVERSION RIGHT EXERCISE FORM

The undersigned hereby irrevocably elects to surrender \$ _____ of the Maximum Exercise Purchase Price of its Warrant for such shares of Common Stock or Private Financing Securities pursuant to the Conversion Right provisions of the Warrant, as provided for in Section (a)(2) of such Warrant.

Please issue a certificate or certificates for such Common Stock or Private Financing Securities in the name of, pay cash for fractional shares pursuant to Section (c) of the Warrant (if applicable) and issue a new Warrant for the unexercised portion thereof (if applicable).

Name _____

(Please print Name and Address)

Address _____

Signature _____

NOTE: The above signature should correspond exactly with the name on the first page of this Warrant or with the name of the assignee appearing in the assignment form below

ASSIGNMENT FORM

FOR VALUE RECEIVED,

hereby sells, assigns and transfers unto

Name

(Please typewrite or print in block letters)

Address

the right to purchase Common Stock or Private Financing Securities represented by this Warrant to the extent of _____ shares as to which such right is exercisable and does hereby irrevocably constitute and appoint

_____ Attorney, to transfer the same on the books of the Company with full power of substitution in the premises.

Date: _____

Signature (Transferor) _____

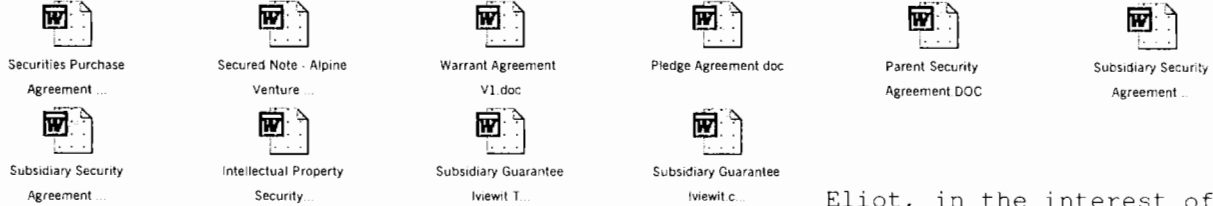
The undersigned transferee hereby represents and warrants that it is an accredited investor as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended.

Date: _____

Signature (Transferee) _____

Epstein, Alan

From: Powell, Hank [HPowell@cb-ventures.com]
Sent: Monday, May 07, 2001 11:32 AM
To: eliot.bernstein@verizon.net
Subject: FW: Iviewit Loan Agreements w/Alpine



Eliot, in the interest of time

Ross has asked that I forward these to you,

since he does not have functioning email at the moment. THESE ARE DRAFT DOCUMENTS SUBJECT TO REVIEW BY BOTH CROSSBOW AND ROSS. Hopefully there won't be too many comments, and I'll also forward the warrant agreement when

I receive it. Hank

-----Original Message-----

From: Mark Berenson [mailto:mberenson@wg-law.com]
Sent: Friday, May 04, 2001 5:01 PM
To: Hank Powell (E-mail); Daniel Wuersch
Subject: Iviewit Loan Agreements w/Alpine

Dear Mr. Powell and Daniel:

Attached please find drafts of the following documents with respect to the purchase of a \$300,000 Note and Warrants by Alpine Venture Capital Partners LP from Iviewit Holdings, Inc.:

- (i) Note and Warrant Purchase Agreement;
- (ii) Secured Note;
- (iii) Warrant;
- (iv) Pledge Agreement;
- (v) Parent Security Agreement;
- (vi) Subsidiary Security Agreement (Iviewit.com, Inc. and Iviewit Technologies, Inc.);
- (vi) Subsidiary Intellectual Property Security Agreement and Assignment (Iviewit Technologies, Inc.); and
- (vii) Subsidiary Guarantees (Iviewit.com, Inc. and Iviewit Technologies, Inc.).

Very truly yours,

Mark R. Berenson

<<Securities Purchase Agreement v1.doc>> <<Secured Note -

Alpine

Venture Partners LP.doc>> <<Warrant Agreement V1.doc>> <<Pledge Agreement.doc>> <<Parent Security Agreement.DOC>> <<Subsidiary Security Agreement Iviewit Technologies v1.DOC>> <<Subsidiary Security Agreement Iviewit.com v1.DOC>> <<Intellectual Property Security Agreement and Assignment v1.DOC>> <<Subsidiary Guarantee Iviewit Technologies, Inc. v1.DOC>> <<Subsidiary Guarantee Iviewit.com, Inc. v1.DOC>>

Wuersch & Gering LLP

11 Hanover Square, 21st Floor

New York, NY 10005

mberenson@wg-law.com <mailto:mberenson@wg-law.com>

Tel. 212-509-5050

Fax 212-509-9559

www.wg-law.com <http://www.wg-law.com>

This message and any attachments hereto contain confidential information and information which may be subject to the attorney-client privilege. It is intended for the individual or entity named above. If you are not the intended recipient, please do not read, copy, use or disclose this communication to others; also please notify the sender by replying to this message, and then delete it from your system. Thank you.

May 4, 2001

NOTE AND WARRANT PURCHASE AGREEMENT

This NOTE PURCHASE AGREEMENT, dated as of May ____, 2001 (this "Agreement") is entered into between IVIEWIT HOLDINGS, INC., a Delaware corporation (the "Company"), and the ALPINE VENTURE CAPITAL PARTNERS LP, a Delaware limited partnership (the "Purchaser").

In consideration of the mutual promises and covenants contained in this Agreement, the parties hereto agree as follows:

1. Authorization.

(a) Issuance and Sale of Note and Warrants. The Company has authorized the issue and sale to the Purchaser of (i) a 10% senior secured note in the aggregate principal amount of US\$300,000 (the "Note") having the terms and provisions set forth in the form of Note attached hereto as Exhibit A, and (ii) the maximum number of warrants to purchase shares of either (x) common stock of the Company (the "Common Stock"), which warrants are to have the terms and provisions set forth in the form of Warrant attached hereto as Exhibit B (the "Warrants") or (y) equity securities of the Company issued by the Company in the next private financing (the "Private Financing Securities").

(b) The Warrant Shares. The Company has authorized and reserved a sufficient number of shares of Common Stock issuable upon exercise of the Warrants. Any shares of such Common Stock issuable upon exercise of the Warrants, and such shares when issued, are herein referred to as the "Warrant Shares." The Company covenants that the Warrant Shares and the shares of Common Stock into which such Warrant Shares shall be convertible will, upon issuance, be duly and validly issued and, upon receipt of the consideration set forth in the Warrants, be fully paid and nonassessable. The Note, Warrants, Private Financing Securities and Common Stock are sometimes referred to herein as the "Securities".

(c) The Conversion Shares. The Company has authorized and reserved a sufficient number of Private Financing Securities issuable upon exercise of the Warrants. The Company covenants that the Private Financing Securities will, upon issuance, be duly and validly issued and, upon exercise of the Warrants for cancellation, be fully paid and nonassessable.

2. Sale of the Note and Warrants. (a) Upon the terms and conditions contained herein, the Company agrees at the Closing to sell to the Purchaser, and the Purchaser agrees to purchase from the Company, the Note for a purchase price equal to 100% of the principal amount of the Note purchased hereby (the "Purchase Price") and to issue Warrants in accordance with Section ____ hereof. The Purchase Price shall be payable by the Purchaser as follows: (i) \$178,000 in cash, (ii) conversion of its \$100,000 Convertible Promissory Note, dated March 16, 2001, issued by the Company (the "Old Note") and (iii) conversion of its \$22,000 Senior Note, dated April 27, 2001, issued by Iviewit.com, Inc. (Iviewit.com") (together, with the Old Note,

the "Converted Notes"). The Purchaser hereby waives any and all of its rights under the Converted Notes upon conversion as set forth above.

- (b) "Transaction Documents" means:
- (i) the Note;
 - (ii) the Warrant;
 - (iii) the Pledge Agreement, dated as of May ____, 2001, between the Company and the Purchaser (the "Pledge Agreement");
 - (iv) the Parent Security Agreement, dated as of May ____, 2001, between the Company and the Purchaser (the "Parent Security Agreement");
 - (v) the Subsidiary Guarantees, dated as of May ____, 2001, by each Subsidiary for the benefit of the Purchaser (the "Subsidiary Guarantees");
 - (vi) the Subsidiary Security Agreement, dated as of May ____, 2001, by each Subsidiary for the benefit of each Purchaser (the "Subsidiary Security Agreements");
 - (vii) the Subsidiary Intellectual Property Security Agreement and Assignment, dated as of May ____, 2001, by Iviewit Technologies, Inc. ("Iviewit Technologies") for the benefit of the Purchaser (the "Subsidiary Intellectual Property Security Agreement")

3. Closing. Subject to Section 4 hereof, the closing (the "Closing") of the sale to and purchase by the Purchaser of the Note and Warrants shall occur on the date hereof, or at such other time and date as the Company and the Purchaser shall mutually agree (the "Closing Date"). At the Closing Date, the Company shall deliver to the Purchaser or its representative the Note and Warrants being purchased by the Purchaser, issued in the name of the Purchaser, and simultaneously the Purchaser shall pay the Purchase Price in U.S. dollars for the Note by wire transfer of immediately available funds or by check drawn on a U.S. bank to the following account by the Company and by delivering to the Company for conversion the Converted Notes, in accordance with Section 2 hereof. In addition, the Company is paying to the Purchaser on the Closing Date the Transaction Expenses through and including the Closing Date. Furthermore, the other documents and instruments to be delivered under Section 6 are being delivered by the respective parties thereto.

4. Company Representations and Warranties. The Company hereby represents and warrants to the Purchaser that the statements contained in this Section 4 are true and correct as of the Closing Date:

- (a) The Company is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and is duly qualified, licensed or

admitted to do business and is in good standing in those jurisdictions in which the ownership, use or leasing of its assets, or the conduct or the nature of its business makes such qualification, licensing or admission necessary;

(b) The Company has all requisite corporate power and authority for the ownership and operation of its properties and for the carrying on of its business as now conducted and as proposed to be conducted;

(c) The Company has all necessary corporate power and has taken, or caused to be taken, all corporate, shareholder and other action required to make all the provisions of this Note and any other agreements and instruments executed in connection herewith and therewith the valid and enforceable obligations they purport to be; and

(d) The Company has or will use the funds advanced by the Purchaser to pay bona fide creditors when due without violating any preferential rights of other creditors of the Company under applicable law or contracts.

(e) Iviewit.com and Iviewit Technologies(the “Subsidiaries”), are wholly-owned subsidiaries of the Company

5. Conditions to Purchaser’s Obligation. The obligation of the Purchaser to purchase and pay for the Note and Warrants to be purchased by it at the Closing is subject to the satisfaction of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties of the Company set forth in Section 4 hereof shall be true and correct on the Closing Date.

(b) Documentation at Closing. The Purchaser shall have received prior to or at the Closing Date all of the following documents or instruments, or evidence of completion thereof, each in form and substance satisfactory to the Purchaser and its counsel:

(i) The Company shall have executed and delivered the Parent Security Agreement, in the form of Exhibit C attached hereto.

(ii) The Company shall have executed and delivered the Pledge Agreement, in the form of Exhibit D attached hereto.

(iii) The Subsidiary Guarantees, in the form of Exhibit E attached hereto, duly executed by the Subsidiaries of the Company.

(iv) The Subsidiary Security Agreements, in the form of Exhibit F attached hereto, duly executed by the Subsidiaries of the Company.

(v) The Subsidiary Intellectual Property Security Agreement, in the form of Exhibit G attached hereto, duly executed by Iviewit Technologies.

(vi) Any other information or copies of documents that the Purchaser may reasonably request.

(c) Consents. The Company shall have obtained all consents or waivers, if any, necessary to execute and deliver this Agreement and the other Transaction Documents, issue the Securities and to carry out the transactions contemplated hereby and thereby, and all such consents and waivers shall be in full force and effect. All corporate and other action and governmental filings necessary to effectuate the terms of this Agreement, the Securities and other agreements and instruments executed and delivered by the Company in connection herewith shall have been made or taken, except for any post-sale filing that may be required under federal or state securities laws.

(d) Orders and Laws. There shall not be in effect on the Closing Date any order or law restraining, enjoining or otherwise prohibiting or making illegal the consummation of any of the transactions contemplated by this Agreement or any of the Transaction Documents or which could reasonably be expected to otherwise result in a material diminution of the benefits of the transactions contemplated by this Agreement or any of the Transaction Documents to the Purchaser, and there shall not be pending or threatened on the Closing Date any action or proceeding or any other action which could reasonably be expected to result in the issuance of any such order or law.

(e) No Adverse Change. There shall have occurred no material adverse change in the business or condition of the Company on the Closing Date which alone or together with all other such facts, has or is reasonably likely to have, a material adverse effect on the business or condition of the Company.

6. Investment Representations; Agreements and Contracts. The Purchaser represents and warrants to the Company the following:

6.1 Organization; Power and Authority. The Purchaser is duly organized, validly existing and in good standing under the Laws of its jurisdiction of formation. The Purchaser has the requisite power and authority to execute and deliver this Agreement and the Transaction Documents to which it is a party, and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by the Purchaser of this Agreement and the Transaction Documents to which it is a party, the performance by the Purchaser of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby, have been duly and validly authorized by the Purchaser, no other action on the part of the Purchaser being necessary. This Agreement has been duly and validly executed and delivered by the Purchaser and constitutes, and upon the execution and delivery by the Purchaser thereof, the Transaction Documents (to which it is a party) will constitute, legal, valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms.

6.2 No Conflicts. The execution, delivery and performance of this Agreement and the Transaction Documents to which the Purchaser is a party and the consummation by the Purchaser of the transactions contemplated hereby and thereby will not conflict with, or constitute a default under, any agreement, indenture or instrument to which the Purchaser is a

party, or result in a violation of the Purchaser's limited partnership agreement or any order, judgment or decree of any court or governmental authority having jurisdiction over the Purchaser or any of its properties and no consent, authorization or order of, or filing or registration with, any court or governmental authority is required by the Purchaser for the execution, delivery and performance of this Agreement or any of the Transaction Documents.

6.3 Purchase for Investment. The Purchaser is an “accredited investor” as that term is defined in Rule 501 under the Securities Act of 1933, as amended (the “Securities Act”). The Securities to be purchased pursuant to this Agreement will be acquired by the Purchaser for its own account for the purpose of investment and not with a view to the resale or distribution of all or any part of such Securities in violation of the Securities Act, it being understood that the right to dispose of such Securities shall be entirely within the discretion of the Purchaser, subject to applicable state and federal securities laws.

7. Survival of Representations, Warranties, Covenants and Agreements. The representations and warranties made herein or delivered at the Closing Date shall survive the Closing Date for a period of two (2) years notwithstanding any investigation made by or on behalf the Purchaser. The covenants and agreements made or deemed to be made herein shall survive the Closing indefinitely. All statements, covenants and agreements contained in any certificate or other instrument delivered by or on behalf of the Company at the Closing Date or otherwise in connection with the transactions contemplated hereby shall be deemed to be representations, warranties, covenants and agreements by the Company hereunder as of the date of such certificate or instrument.

8. Covenants. At any time after the date hereof and until such time as the Note issued hereunder shall have been repaid in full, the Company covenants and agrees with the Purchaser that the Company shall comply with all covenants and provisions of this Section 8, except, the Purchaser may from time to time may otherwise consent in writing.

(i) Negative Covenant. The Company will not, and will not permit any of its Subsidiaries to, directly or indirectly, (i) create, incur, assume or guaranty Indebtedness for borrowed money in an amount in excess of \$500,000 in any single instance.

(ii) Limitation on Convertible Securities. For so long as the Note is outstanding, the Company will not, and will not permit any of its Subsidiaries to, issue any convertible securities which are senior to the Note.

(iii) Merger. The Company will not, and will not permit any of its Subsidiaries to, merge with or into or consolidate with any other person unless the Company or the Subsidiary is the continuing or surviving entity or the shares of Common Stock then outstanding remain unchanged and outstanding.

(iv) Dividends and Distributions. The Company will not, and will not permit any Subsidiary to, declare or pay any dividend on, or make any other distribution in respect of, or redeem, purchase or otherwise acquire any shares of Common Stock or any other shares of capital stock of the Company.

(v) Limitation on Agreements. The Company will not, and will not permit any Subsidiary to, enter into any agreement, or any amendment, modification, extension or supplement to any existing agreement, which contractually prohibits the Company from paying interest or principal on the Note.

(vi) Transaction Documents. Each Transaction Document shall be in full force and effect, enforceable against the Company or the Subsidiaries party thereto in accordance with their respective terms.

(vi) Insurance. The Company will, and will cause each of the Subsidiaries to maintain, with insurers believed by the Company to be responsible, such insurance, in such amounts and of such types as are customarily carried under similar circumstances by companies engaged in the same or a similar business or having similar properties similarly situated.

(viii) Payment of Taxes and Other Charges. The Company will pay or discharge, and will cause each of the Subsidiaries to pay or discharge, before the same shall become delinquent, all taxes and other governmental charges or levies imposed upon it or any of its properties or income and all claims or demands of materialmen, mechanics, carriers, warehousemen, landlords and other like persons which might result in the creation of a material lien upon any of its properties.

(ix) Notice of Breach. As promptly as practicable, and in any event not later than ten days after the occurrence of any breach by the Company of any provision of this Agreement, including, without limitation, this Section 9, the Company shall provide the Purchaser with written notice specifying the nature of such breach and any actions proposed to be taken by the Company to cure such breach.

(x) Subsidiary Guarantees and Security Agreements. The Company will cause each company or other entity that becomes a Subsidiary of the Company to execute a Subsidiary Guarantee, a Subsidiary Security Agreement and a Subsidiary Intellectual Property Security Agreement and all of such guarantees and agreements shall be in full force and effect and enforceable against each such Subsidiary in accordance with their respective terms.

9. Miscellaneous.

(a) Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The Company may not assign any of its rights or delegate any of its duties under this Agreement; provided, however, that the Company may assign this Agreement to any successor in interest to it in connection with any sale or transfer of all or substantially all of its assets or upon any merger or consolidation.

(b) Notices. All notices, requests, consents and other communications under this Agreement shall be in writing and shall be delivered by hand, mailed by first class certified or registered mail, return receipt requested, postage prepaid, by facsimile, or mailed by reputable overnight courier:

(i) If to the Company, at Iviewit Holdings, Inc.
_____, (facsimile: _____), Attention: _____,
or at such other address or addresses as may have been furnished in writing by the Company to
the Purchaser; or

(ii) If to the Purchaser, at the addresses set forth on the signature page
hereof or at such other address or addresses as may have been furnished to the Company in
writing by the Purchaser.

Notices provided in accordance with this Section 10(b) shall be deemed delivered upon
personal delivery, two business days after deposit in the mail, or upon confirmation of facsimile
delivery.

(c) Entire Agreement; Amendments. This Agreement, together with the
Transaction Documents, constitutes the entire agreement between the parties with respect to the
subject matter hereof and supersedes all prior and contemporaneous agreements, whether written
or oral. This Agreement may be amended only upon the written consent of the Company and the
Purchaser.

(d) Expenses. Simultaneously with the execution of this Agreement, out of
the proceeds of the sale of the Notes and Warrants purchased hereby, the Company is
reimbursing the Purchaser for all of its transaction expenses, including reasonable legal fees,
through and including the date hereof by wire transfer of immediately available funds to the
accounts designated by the Purchaser. Under no circumstances shall the Company's obligation
to reimburse the Purchaser's transaction expenses pursuant to the foregoing sentence exceed
\$7,500, unless otherwise agreed to in writing by the Company. Except as otherwise expressly
provided in this Agreement (including without limitation as provided in Section 9(d), each party
will pay its own costs and expenses including legal fees incurred in connection with this
Agreement, the Transaction Documents and the transactions contemplated hereby and thereby.

(e) Governing Law. This Agreement shall be governed by and construed in
accordance with the laws of the State of New York (without reference to the conflicts of law
provisions thereof).

(f) Headings. The headings in this Agreement are for convenience only and
shall not alter or otherwise affect the meaning hereof.

(g) Waiver. No waiver of any of the provisions contained in this Agreement
shall be valid unless made in writing and executed by the waiving party. It is expressly
understood that in the event any parties shall on any occasion fail to perform any term of this
Agreement and the other parties shall not enforce that term, the failure to enforce on that
occasion shall not prevent enforcement of that or any other term hereof on any other occasion.

(h) Severability. If any section of this Agreement is held invalid by any law,
rule, order, regulation or promulgation of any jurisdiction, such invalidity shall not affect the
enforceability of any other sections not held to be invalid.

(i) Specific Performance. The Company acknowledges that a breach of the provisions of this Agreement could not adequately be compensated by money damages. Accordingly, the Purchaser shall be entitled, in addition to any other right or remedy available to it, to an injunction restraining such breach or a threatened breach and to specific performance of any provision of this Agreement, and in either case no bond or other security shall be required in connection therewith, and the parties hereto hereby consent to such an injunction and to the ordering of specific performance.

(j) Counterparts. This Agreement and any amendment thereof may be executed in counterparts, each of which shall be deemed an original for all purposes.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

COMPANY:

IVIEWIT HOLDINGS, INC.

By: _____

PURCHASER:

ALPINE VENTURE CAPITAL PARTNERS LP

By: Alpine Venture Capital Corporation
its General Partner

By: _____

Name:

Title:

Address:

One North Clematis Street
Suite 510
West Palm Beach, FL 33401

Form of Note

Exhibit A

Form of Warrant

Exhibit B

Form of Parent Security Agreement

Form of Pledge Agreement

Form of Subsidiary Guarantee

Exhibit E

Form of Subsidiary Security Agreement

Exhibit F

Form of Subsidiary Intellectual Property Security Agreement

Draft/May 4, 2001

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED OR SOLD UNLESS THIS NOTE IS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE.

10% SENIOR SECURED NOTE

Noteholder: Alpine Venture Capital Partners LP

Address: One North Clematis Street
Suite 510
West Palm Beach, Florida 33401

May ____, 2001

Principal Amount: \$300,000

FOR VALUE RECEIVED, IVIEWIT HOLDINGS, INC., a Delaware corporation whose address is _____ (the "Company"), hereby promises to pay, pursuant to the terms set forth herein, to the order of ALPINE VENTURE CAPITAL PARTNERS LP (the "Noteholder"), without setoff or counterclaim, at the address set forth above, or such other place as the holder of this Note shall from time to time designate, the principal amount of THREE HUNDRED THOUSAND DOLLARS (\$300,00) plus interest from the date of this Note until such principal amount is paid in full at the rate of ten percent (10%) per annum. All interest shall be computed on the basis of the actual number of days elapsed and a 365-day year. Capitalized terms used, but not defined herein, shall have the meaning given to them in the Note and Warrant Purchase Agreement, dated as of May ____, 2001, between the Company and the Noteholder (the "Note Purchase Agreement")

1. Payment; Security Interest.

(a) General. The principal amount payable under this Note shall be paid in full within five (5) days after request of payment shall have been made by the Noteholder, which request may be made by the Noteholder at any time on or after May ____, 2002.

(b) Interest. Interest shall be payable on each monthly anniversary of the date hereof. Any accrued and unpaid interest on this Note shall be due and payable in arrears upon repayment of the principal amount of this Note on the Maturity Date or the earliest date of repayment.

(c) Method of Payment All payments due and payable on this Note shall be made directly by check or wire transfer of immediately available funds to an account designated by Noteholder to the Company in writing or at such other bank or agency or in such other manner as the Noteholder shall have designated by written notice to the Company.

(d) Security Interest. As security for the full, prompt and complete payment and performance of the Company's obligations hereunder, the Company hereby grants to the holder of this Note, a security interest in, to and under the Collateral, as defined in the Parent Security

Agreement, in form and substance satisfactory to the Noteholder, to be entered into between the Company and the Noteholder.

2. Events of Default and Remedies.

(a) Events of Default.

Any one of the following events shall constitute an “Event of Default”:

(i) If the Company fails to pay principal or any other sum (other than interest), if any, due on the Note within five (5) days after such payment has become due and payable, whether at the maturity thereof or otherwise; or

(ii) If the Company fails to pay interest on the Note within five (5) days upon request by the Noteholder; or

(iii) If the Company or any of its subsidiaries (A) makes a composition or an assignment for the benefit of creditors, (B) applies for, consents to, acquiesces in, files a petition seeking or admits (by answer, default or otherwise) the material allegations of a petition filed against it seeking the appointment of a trustee, receiver or liquidator, in bankruptcy or otherwise, of itself or of all or a substantial portion of its assets, or a reorganization, arrangement with creditors or other remedy, relief or adjudication available to or against a bankrupt, insolvent or debtor under any bankruptcy or insolvency law or any law affecting the rights of creditors generally, or (C) admits in writing its inability to pay its debts generally as they become due; or

(iv) If an order for relief shall have been entered by a bankruptcy court or if a decree, order or judgment shall have been entered adjudging the Company or any of its subsidiaries insolvent, or appointing a receiver, liquidator, custodian or trustee, in bankruptcy or otherwise, for it or for all or a substantial portion of its assets, or approving the winding-up or liquidation of its affairs on the grounds of insolvency or nonpayment of debts, and such order for relief, decree, order or judgment shall remain undischarged or unstayed for a period of thirty (30) days; or if any substantial part of the property of the Company or any of its subsidiaries is sequestered or attached and shall not be returned to the possession of the Company or such subsidiary or released from such attachment within thirty (30) days; or

(v) Failure by the Company or any of its subsidiaries to pay, within ten (10) days after the same has become due, principal of, or interest on, or the occurrence and continuation for a period of ten (10) days or more of an event of default, under any loan agreement, arrangement, mortgage, indenture or other instruments under which there is issued or by which there is secured or evidenced any indebtedness of the Company or any of its subsidiaries, whether such indebtedness exists on the date of the issuance of this Note or is created thereafter and the principal amount of such indebtedness which, together with any such other indebtedness so accelerated or not paid at maturity, aggregates an amount equal to or greater than \$50,000;

(vi) If the Company or any of its subsidiaries shall have breached any of the representations, warranties, agreements or covenants set forth in this Note or any of the

Transaction Documents and such breach continues for five (5) days after notice in writing by the noteholders to the Company; or

(vii) The violation by the Company or any of its subsidiaries of any laws, orders or regulations, whether with respect to the conduct of their business or otherwise, which has a material adverse effect on the Company and its subsidiaries taken as a whole or their respective business or financial situation and such violation shall not have been cured within thirty (30) days after the Company or such subsidiary has become aware of such violation or is notified thereof by a governmental agency; or

(viii) If the Company or any subsidiary shall suspend its operations.

(b) Acceleration of Maturity. If any Event of Default (other than an Event of Default described in paragraphs (a)(ii) and (iii)) shall have occurred and be continuing, the Noteholder may, by notice to the Company, declare the entire outstanding principal balance of the Note, and all accrued and unpaid interest thereon, to be due and payable immediately, and upon any such declaration the entire outstanding principal balance of the Note, and said accrued and unpaid interest shall become and be immediately due and payable, without presentment, demand, protest or other notice whatsoever, all of which are hereby expressly waived, anything in the Note or in this Agreement to the contrary notwithstanding; provided, that if an Event of Default described in paragraphs (a)(ii) and (iii) shall have occurred, the outstanding principal amount of the Note, and all accrued and unpaid interest thereon, shall immediately become due and payable, without any declaration and without presentment, demand, protest or other notice whatsoever, all of which are hereby expressly waived, anything in the Note or any Transaction Document to the contrary notwithstanding.

(c) Other Remedies. If any Event of Default shall have occurred and be continuing, from and including the date of such Event of Default to but not including the date such Event of Default is cured or waived, the Noteholder may enforce its rights by suit in equity, by action at law, or by any other appropriate proceedings, whether for the specific performance (to the extent permitted by law) of any covenant or agreement contained in this Note or any Transaction Document or in aid of the exercise of any power granted in this Note or any Transaction Document, and the Noteholder may enforce the payment of the Note and any of its other legal or equitable rights. During the continuance of any Event of Default, the Company shall pay interest on the outstanding principal balance of the Note and (to the extent legally enforceable) on any accrued and unpaid installment of interest, at the rate of 15% per annum, until such Event of Default is cured or waived by the Noteholder.

(d) Conduct no Waiver; Collection Expenses. No course of dealing on the part of the Noteholder, nor any delay or failure on the part of the Noteholder to exercise any of its rights, shall operate as a waiver of such right or otherwise prejudice such holder's rights, powers and remedies. If the Company fails to pay, when due, the principal or the premium, if any, or the interest on any Note, the Company will pay to the Noteholder, to the extent permitted by law, on demand, all costs and expenses incurred by the Noteholder in the collection of any amount due in respect of any Note hereunder, including all attorney's fees incurred by the Noteholder in enforcing its rights hereunder.

3. Surrender; Loss.

(a) Whenever this Note shall be surrendered at the principal executive office of the Company for transfer or exchange, accompanied by a written instrument of transfer in form reasonably satisfactory to the Company duly executed by the Noteholder hereof or his or its attorney duly authorized in writing, the Company shall execute and deliver in exchange therefor a new Note or Notes, as may be requested by the Noteholder, in the same aggregate unpaid principal amount and payable on the same date as the principal amount of the Note or Notes so surrendered; each such new Note shall be dated as of the date to which interest has been paid on the unpaid principal amount of the Note or Notes so surrendered and shall be in such principal amount and registered in such name or names as such holder may designate in writing.

(b) Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Note and of indemnity reasonably satisfactory to it, and upon reimbursement to the Company of all reasonable expenses incidental thereto, and upon surrender and cancellation of this Note (in case of mutilation), the Company will make and deliver in lieu of this Note a new Note of like tenor and unpaid principal amount and dated as of the date to which interest has been paid on the unpaid principal amount of this Note in lieu of which such new Note is made and delivered.

4. General.

(a) Successors and Assigns. This Note, and the obligations and rights of the Company hereunder, shall be binding upon and inure to the benefit of the Company, the holder of this Note, and their respective heirs, successors and assigns except that the Company may not assign its rights and obligations under this Note to any person without the prior written consent of the Holder.

(b) Changes. Changes in or additions to this Note may be made or compliance with any term, covenant, agreement, condition or provision set forth herein may be omitted or waived (either generally or in a particular instance and either retroactively or prospectively), upon written consent of the Company and the Noteholder; provided, however, that no change, addition, omission or waiver which causes any change in or extension of the time of payment of the principal amount or interest, or the reduction of the rate of interest on, or in any way affects or impairs the obligation of the Company in respect of the principal of or interest on, this Note, or causes any change in the provisions of Section 1 of this Note, or causes any change in this Section 4(b), shall be made without the written consent of the holder of this Note.

(c) Non-Waiver. The failure at any time of the Noteholder to exercise any of its options or any other rights hereunder shall not constitute a waiver thereof, nor shall it be a bar to the exercise of any of its options or rights at a later date. All rights and remedies of the Noteholder shall be cumulative and may be pursued singly, successively or together, at the option of the Noteholder. The acceptance by the Noteholder of any partial payment shall not constitute a waiver of any default or of any of the Noteholder's rights under this Note. No waiver of any of its rights hereunder, and no modification or amendment of this Note, shall be deemed to be made by the Noteholder unless the same shall be in writing, duly signed on behalf of the

Noteholder; and each such waiver shall apply only with respect to the specific instance involved, and shall in no way impair the rights of the Noteholder in any other respect at any other time.

(d) Waiver and Consent. Except as otherwise specifically provided herein, the Company and all others that may become liable for all or any part of the obligations evidenced by this Note, hereby waive presentment, demand, notice of nonpayment, protest and all other demands' and notices in connection with the delivery, acceptance, performance and enforcement of this Note, and do hereby consent to any number of renewals or extensions of the time or payment hereof and agree that any such renewals or extensions may be made without notice to any such persons and without affecting their liability herein and do further consent to the release of any person liable hereon, all without affecting the liability of the other persons, firms or the Company liable for the payment of this Note.

(e) Currency. All payments shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender therein for the payment of public and private debts.

(f) Headings. Section headings in this Note are included herein for purposes of convenience of reference only and shall not constitute a part of this Note for any other purpose.

(g) Notices. All notices, requests, consents and demands shall be made in writing and shall be mailed postage prepaid, or delivered by hand, to the Company or to the Noteholder hereof at their respective addresses set forth above or to such other address as may be furnished in writing to the other party hereto.

(h) Severability. If one or more provisions of this Note are held to be unenforceable under applicable law, such provision shall be excluded from this Note and the balance of the Note shall be interpreted as if such provision was so excluded and shall be enforceable in accordance with its terms.

(i) Governing Law. This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of New York.

(j) WAIVER OF JURY TRIAL. THE COMPANY HEREBY WAIVES TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF THIS NOTE OR THE VALIDITY, PROTECTION, INTERPRETATION, COLLECTION OR ENFORCEMENT HEREOF AND THE COMPANY HEREBY WAIVES THE RIGHT TO INTERPOSE ANY SETOFF OR NON-COMPULSORY COUNTERCLAIM OR CROSS-CLAIM IN CONNECTION WITH ANY SUCH LITIGATION, IRRESPECTIVE OF THE NATURE OF SUCH SETOFF, COUNTERCLAIM OR CROSS-CLAIM.

[Signature Page Follows]

IN WITNESS WHEREOF, this Note has been executed and delivered on the date first above written by the duly authorized representative of the Company.

IVIEWIT HOLDINGS, INC.

By: _____
Name:
Title:

ATTEST:

By: _____
Name:
Title:

Draft/May 4, 2001

Void after 5:00 p.m. _____
On _____

**Warrant to Purchase _____ Shares of Common Stock or
Private Financing Securities**

Date: May ____, 2001

THIS WARRANT HAS BEEN ISSUED PURSUANT TO SECTION 4(2) OF THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). NEITHER THIS WARRANT NOR ANY SHARES OF COMMON STOCK OR PRIVATE FINANCING SECURITIES ISSUED UPON THE EXERCISE OF THIS WARRANT (THE "SHARES") HAVE BEEN REGISTERED UNDER THE ACT OR ANY STATE SECURITIES LAWS. THIS WARRANT MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED UNLESS REGISTERED UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

THIS WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF ANY PERSON UNLESS THIS WARRANT HAS BEEN REGISTERED UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

**WARRANT TO PURCHASE SHARE OF COMMON STOCK OR PRIVATE
FINANCING SECURITIES**

OF

IVIEWIT HOLDINGS, INC.

a Delaware Corporation

This is to certify that, FOR VALUE RECEIVED, Alpine Venture Capital Partners LP, a Delaware limited partnership, or assigns ("Holder"), is entitled to purchase either, subject to the provisions of this Warrant, from Iviewit Holdings, Inc., a Delaware corporation (the "Company") with offices at _____, fully paid, validly issued and non-assessable (i) shares of common stock, \$.____ par value, of the Company (the "Common Stock") or (ii) equity securities issued by the Company in the next round of private financing (the "Private Financing Securities", together with the Common Stock, the "Shares") at any time through and including _____ ("Exercise Period"). The Warrant Exercise Price for shares of Common Stock shall be equal to 30% of the fair market value per share of consideration paid to the Company's stockholders in a change of control, subject to adjustment pursuant to paragraph (f) below. The Warrant exercise price for shares of Private Financing Securities shall be equal to 30% of purchase price per share of Private Financing Securities paid by investors, subject to adjustment pursuant to paragraph (f) below. The number of Shares to be received upon the exercise of this

Warrant and the price to be paid for each Share may be adjusted from time to time as hereinafter set forth. The shares of Common Stock or Private Financing Securities deliverable upon such exercise, and as adjusted from time to time, are hereinafter sometimes referred to as “Warrant Shares” and the exercise price of a Share in effect at any time and as adjusted from time to time is hereinafter sometimes referred to as the “Exercise Price.” For purposes of this Agreement, “change in control” shall mean a merger, consolidation or sale or other disposition of a substantial part of the assets or a majority of the shares of Common Stock outstanding.

(a) Exercise of Warrant.

(1) Exercise. This Warrant may be exercised in whole or in part at any time during the Exercise Period, and during the Exercise Period the Holder shall have the right to exercise this Warrant into the kind and amount of shares of Common Stock or Private Financing Securities and other securities and property (including cash) receivable by a holder of the number of shares of Common Stock or Private Financing Securities into which this Warrant might have been exercisable immediately prior thereto. This Warrant, subject to the provisions hereof, may only be exercised by presentation and surrender hereof to the Company at its offices, with the Exercise Form annexed as Exhibit A-1 hereto duly executed and accompanied by payment of the Exercise Price for the number of shares of Common Stock or Private Financing Securities specified in such form and delivery instructions consistent with this paragraph (a)(1). As soon as practicable after each such exercise of the Warrant, but not later than three (3) business days from the date of such exercise, the Company shall issue and deliver to the Holder a certificate or certificates for the Warrant Shares issuable upon such exercise, registered in the name of the Holder or its designee; provided however, that, unless the Warrant Shares are registered under the Act and any applicable blue sky or state securities laws or an exemption from such registration is available, the Company shall not be required to deliver any Warrant Shares. The Common Stock, Private Financing Securities and any Warrants issued in exchange for this Warrant shall be issued with such restrictive legends as are required by the Act or the Regulations thereunder. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the rights of the Holder thereof to purchase the balance of the Warrant Shares purchasable thereunder. Upon receipt by the Company of this Warrant, in proper form for exercise and accompanied by the documentation set forth in this paragraph (a)(1) and delivery instructions consistent with this paragraph (a)(1), the Holder shall be deemed to be the holder of record of the Warrant Shares issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such Warrant Shares shall not then have been physically delivered to the Holder.

(2) Conversion Right. In lieu of the payment of the Exercise Price, the Holder shall have the right (but not the obligation), to require the Company to convert this Warrant, in whole or in part, into shares of Common Stock or Private Financing Securities (the “Conversion Right”) as provided for in this Section (a)(2). Upon exercise of the Conversion Right, the Company shall deliver to the Holder (without payment by the Holder of the Exercise Price) that number of Warrant Shares equal to (i) the percentage portion of the Warrant being converted multiplied by (ii) the quotient obtained by dividing (x) the value of the Warrant at the time the Conversion Right is exercised (determined by subtracting the aggregate Exercise Price in effect

immediately prior to the exercise of the Conversion Right from the aggregate Market Price (as defined in Section (c) below), for the shares of Common Stock or Private Financing Securities issuable upon exercise of the Warrant immediately prior to the exercise of the Conversion Right) by (y) the Market Price of one share of Common Stock or Private Financing Security immediately prior to the exercise of the Conversion Right.

(3) Exercise of Conversion Right. The Conversion Rights provided under Section (a)(2) above and this Section (a)(3) may be exercised in whole or in part and at any time and from time to time while the Warrant remains outstanding. In order to exercise the Conversion Right, the Holder shall surrender to the Company, at its offices, this Warrant accompanied by a duly completed Conversion Notice in the form attached hereto as Exhibit A-2. The presentation and surrender shall be deemed a waiver of the Holder's obligation to pay all or any portion of the aggregate purchase price payable for the Warrant Shares being issued upon such exercise of this Warrant. This Warrant (or so much thereof as shall have been surrendered for conversion) shall be deemed to have been converted immediately prior to the close of business on the day of surrender of this Warrant for conversion in accordance with the foregoing provisions. As promptly as practicable on or after the conversion date, the Company shall issue and shall deliver to the Holder (i) a certificate or certificates representing the largest number of whole shares of Common Stock or Private Financing Securities to which the Holder shall be entitled as a result of the conversion, and (ii) if such Warrant is being converted in part only, a new Warrant exercisable for the number of shares of Common Stock or Private Financing Securities equal to the unconverted portion of the Warrant certificate. If this Warrant is exercised in whole, in lieu of any fractional shares of Common Stock or Private Financing Securities to which the Holder shall be entitled, the Company shall pay to the Holder cash in accordance with the provisions of Section (c) hereof.

(b) Reservation of Shares. The Company shall at all times reserve for issuance and/or delivery upon exercise of this Warrant such number of shares of its Common Stock or Private Financing Securities as shall be required for issuance and delivery upon exercise of the Warrant.

(c) Fractional Shares. No fractional shares or script representing fractional shares shall be issued upon the exercise of this Warrant. With respect to any fraction of a share called for upon any exercise hereof, the Company shall pay to the Holder an amount in cash equal to such fraction multiplied by the current market value of a share, determined as follows ("the Market Price"):

- (1) If the Common Stock or Private Financing Securities is listed on a securities exchange or admitted to unlisted trading privileges on such exchange or listed for trading on the NASDAQ Stock Market, the current market value shall be the last reported sale price of the Common Stock or Private Financing Securities on such exchange or system on the last business day prior to the date of exercise of this Warrant or if no such sale is made on such day, the average closing bid and asked prices for such day on such exchange or system; or
- (2) If the Common Stock or Private Financing Securities is not so listed or admitted to unlisted trading privileges, the current market value shall be the mean of the

last reported bid and asked prices reported on the NASDAQ Bulletin Board or a comparable reporting system, on the last business day prior to the date of the exercise of this Warrant; or

- (3) If the Common Stock or Private Financing Securities is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the current market value shall be an amount not less than book value thereof as at the end of the most recent fiscal year of the Company ending prior to the date of the exercise of the Warrant, determined in such reasonable manner as may be prescribed by the Board of Directors of the Company.

(d) Exchange, Transfer, Assignment or Loss of Warrant. This Warrant is exchangeable, without expense, at the option of the Holder, upon presentation and surrender hereof to the Company for other warrants of different denominations entitling the holder thereof to purchase in the aggregate the same number of shares of Common Stock or Private Financing Securities purchasable hereunder. Upon surrender of this Warrant to the Company at its principal office or at the offices of its stock transfer agent, if any, with the Assignment Form annexed hereto duly executed and funds sufficient to pay any transfer tax, the Company shall, without charge, execute and deliver a new Warrant in the name of the assignee named in such instrument of assignment and this Warrant shall promptly be canceled. The term "Warrant" as used herein includes any Warrants into which this Warrant may be divided or exchanged. Upon receipt by the Company of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of reasonably satisfactory indemnification, and upon surrender and cancellation of this Warrant, if mutilated, the Company will execute and deliver a new Warrant of like tenor and date. Any such new Warrant executed and delivered shall constitute an additional contractual obligation on the part of the Company, whether or not this Warrant so lost, stolen, destroyed, or mutilated shall be at any time enforceable by anyone.

(e) Rights of the Holder. Except as set forth herein, the Holder shall not, by virtue hereof, be entitled to any rights of a shareholder in the Company, either at law or equity, and the rights of the Holder are limited to those expressed in the Warrant and are not enforceable against the Company except to the extent set forth herein.

(f) Anti-Dilution Provisions. The Exercise Price in effect at any time and the number and kind of securities purchasable upon the exercise of the Warrants shall be subject to adjustment from time to time upon the happening of certain events as follows:

(i) Adjustment of Exercise Price. If the Company issues or sells, or in accordance with Section (f)(ii) is deemed to have issued or sold, any shares of Common Stock or Private Financing Securities (including options, warrants or convertible securities) for a consideration per share less than the Exercise Price in effect immediately prior to the time of such issuance or sale, then immediately upon such issuance or sale the Exercise Price shall be reduced to a price equal to the price or deemed price per share of Common Stock or Private Financing Securities issued or sold in such issuance or sale.

- (ii) Effect on Exercise Price of Certain Events. For purposes of determining the

adjusted Exercise Price under Section (f)(i), the following shall be applicable:

- (1) Issuance of Rights or Options. If the Company in any manner grants any rights or options to subscribe for or to purchase Common Stock, Private Financing Securities or any stock or other securities convertible into or exchangeable for Common Stock or Private Financing Securities (such rights or options being herein called "Options" and such convertible or exchangeable stock or securities being herein called "Convertible Securities") and the price per share for which Common Stock or Private Financing Securities is issuable upon the exercise of such Options or upon Exercise or exchange of such Convertible Securities is less than the Exercise Price in effect immediately prior to the time of such issuance or sale, then the total maximum number of shares of Common Stock or Private Financing Securities issuable upon the exercise of such Options or upon Exercise or exchange of such Convertible Securities issuable upon the exercise of such Options shall be deemed to be outstanding and to have been issued and sold by the Company for such price per share.

For purposes of this paragraph (ii)(1), the lowest "price per share for which Common Stock or Private Financing Securities is issuable upon exercise of such Options or upon Exercise or exchange of such Convertible Securities" shall be equal to the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to any one share of Common Stock or Private Financing Security upon the granting or sale of the Option, upon exercise of the Option and upon conversion or exchange of any Convertible Security issuable upon exercise of such Option. To the extent that an adjustment of the Exercise Price shall have been made upon the issuance of such Options or Convertible Securities, no further adjustment of the Exercise Price shall be made upon the actual issuance of such Common Stock or Private Financing Securities following the exercise of such Options or upon the actual issuance of such Common Stock or Private Financing Securities upon Exercise or exchange of such Convertible Securities.

- (2) Issuance of Convertible Securities. If the Company in any manner issues or sells any Convertible Securities and the "price per share for which Common Stock or Private Financing Securities is issuable upon such Exercise or exchange" is less than the Exercise Price in effect immediately prior to the time of such issuance or sale, then the maximum number of shares of Common Stock or Private Financing Securities issuable upon Exercise or exchange of such Convertible Securities shall be deemed to be outstanding and to have been issued and sold by the Company for such price per share. For the purposes of this paragraph, the "price per share for which Common Stock or Private Financing Securities is issuable upon such Exercise or exchange" shall be equal to the sum of the lowest amounts of consideration (if any) received or receivable by the Company

with respect to one share of Common Stock or Private Financing Securities upon the issuance or sale of the Convertible Security and upon conversion or exchange of such Convertible Security. To the extent that an adjustment of the Exercise Price shall be made upon the issuance of such Convertible Securities, no further adjustment of the Exercise Price shall be made upon the actual issuance of such Common Stock or Private Financing Securities upon Exercise or exchange of such Convertible Securities.

- (3) Change in Option Price or Exercise Price. If the purchase price provided for in any Options, the additional consideration, if any, payable upon the issue, Exercise or exchange of any Convertible Securities, or the rate at which any Convertible Securities are convertible into or exchangeable for Common Stock or Private Financing Securities changes at any time, the Exercise Price in effect at the time of such change shall be readjusted to the Exercise Price which would have been in effect at such time had such Options or Convertible Securities still outstanding provided for such changed purchase price, additional consideration or changed Exercise Price, as the case may be, at the time initially granted, issued or sold.
- (4) Treatment of Expired Options and Unexercised Convertible Securities. Upon the expiration of any Option or the termination of any right to convert or exchange any Convertible Securities without the exercise of such Option or right, the Exercise Price then in effect shall be adjusted to the Exercise Price which would have been in effect at the time of such expiration or termination had such Option or Convertible Securities never been issued.
- (5) Calculation of Consideration Received. If any Common Stock, Private Financing Securities, Options or Convertible Securities are issued or sold or deemed to have been issued or sold for cash, the consideration received therefor shall be deemed to be the net amount payable by the purchaser or purchasers thereof after deducting underwriting discounts, commissions or other expenses of sale. In case any Common Stock, Private Financing Securities, Options or Convertible Securities are issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Company shall be the fair value of such consideration, except where such consideration consists of securities, in which case the amount of consideration received by the Company shall be the Market Price thereof as of the date of receipt. In case any Common Stock, Private Financing Securities, Options or Convertible Securities are issued to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving entity the amount of consideration therefor shall be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such Common Stock, Private Financing Securities, Options or

Convertible Securities, as the case may be. The fair value of any consideration other than cash or securities shall be determined by the Board of Directors of the Company in the good faith exercise of its business judgment.

- (6) Integrated Transactions. In case any Option is issued in connection with the issue or sale of other securities of the Company, together comprising one integrated transaction in which no specific consideration is allocated to such Option by the parties thereto, the Option shall be deemed to have been issued for no consideration.

(iii) Adjustment for Stock Splits and Combinations. In case the Company shall (A) declare a stock dividend or make a distribution on its outstanding shares of Common Stock or Private Financing Securities in shares of Common Stock or Private Financing Securities, (B) subdivide or reclassify its outstanding shares of Common Stock or Private Financing Securities into a greater number of shares, or (C) combine or reclassify its outstanding shares of Common Stock or Private Financing Securities into a smaller number of shares, the Exercise Price in effect at the time of the record date for such dividend or distribution or of the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the Exercise Price by a fraction, the denominator of which shall be the number of shares of Common Stock or Private Financing Securities outstanding after giving effect to such action, and the numerator of which shall be the number of shares of Common Stock or Private Financing Securities outstanding immediately prior to such action. Such adjustment shall be made successively whenever any event listed above shall occur.

- (iv) Certain Events.

- (1) Whenever the Exercise Price payable upon exercise of each Warrant is adjusted pursuant to this Section (f), the number of shares purchasable upon exercise of this Warrant shall simultaneously be adjusted by multiplying the number of shares initially issuable upon exercise of this Warrant by the Exercise Price in effect on the date hereof and dividing the product so obtained by the Exercise Price, as adjusted.
- (2) Whenever the Exercise Price is adjusted, as herein provided, the Company shall promptly cause a notice setting forth the adjusted Exercise Price and adjusted number of shares issuable upon exercise of each Warrant to be mailed to the Holders, at their last addresses appearing in the Warrant Register, and shall cause a certified copy thereof to be mailed to its transfer agent, if any. The Company may retain a firm of independent certified public accountants selected by the Board of Directors (who may be the regular accountants employed by the Company) to make any computation required by this Section (f), and a certificate signed by such firm shall be conclusive evidence of the correctness of such adjustment.
- (3) In the event that at any time, as a result of an adjustment made pursuant to this Section (f), the Holder of this Warrant thereafter shall become entitled to receive

any shares of the Company, other than Common Stock or Private Financing Securities, thereafter the number of such other shares so receivable upon exercise of this Warrant shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Common Stock contained in this Section (f).

- (4) Irrespective of any adjustments in the Exercise Price or the number or kind of shares purchasable upon exercise of this Warrant, Warrants theretofore or thereafter issued may continue to express the same price and number and kind of shares as are stated in the similar Warrants initially issuable pursuant to this Agreement.

(g) Officer's Certificate. Whenever the Exercise Price shall be adjusted as required by the provisions of Section (f), the Company shall forthwith mail to the holder of this Warrant and file in the custody of its Secretary or an Assistant Secretary at its principal office and with its stock transfer agent, if any, an officer's certificate showing the adjusted Exercise Price determined as herein provided, setting forth in reasonable detail the facts requiring such adjustment, including a statement of the number of additional shares of Common Stock or Private Financing Securities, if any, and such other facts as shall be necessary to show the reason for and the manner computing such adjustment. Each such officer's certificate shall be made available at all reasonable times for inspection by the holder or any holder of a Warrant.

(h) Notices to Warrant Holders. So long as this Warrant shall be outstanding, (i) if the Company shall pay any dividend or make any distribution upon the Common Stock or Private Financing Securities or (ii) if the Company shall offer to all the holders of Common Stock or Private Financing Securities for subscription or purchase by them any share of any class or any other rights or (iii) if the capital reorganization of the Company, reclassification of the capital stock of the Company, consolidation or merger of the Company with or into another corporation, sale of all or substantially all of the property and assets of the Company to another corporation or voluntary or involuntary dissolution, liquidation or winding up of the Company shall be effected, then in any such case, the Company shall cause to be mailed by certified mail to the holder, at least ten days prior to the date specified in (x) or (y) below, as the case may be, a notice containing a brief description of the proposed action and stating the date on which (x) a record is to be taken for the purpose of such dividend, distribution or rights, or (y) such reclassification, reorganization, consolidation, merger, sale, dissolution, liquidation or winding up is to take place and date, if any is to be fixed, as of which the holders of the Common Stock or Private Financing Securities or other securities shall receive cash or other property deliverable upon such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up. Notwithstanding the above, the failure to give such notice shall not affect the validity of any transaction for which the notice was required to be given.

(i) Reclassification, Reorganization or Merger. In case of any reclassification, capital reorganization or other change of outstanding shares of Common Stock or Private Financing Securities of the Company, or in case of any consolidation or merger of the Company with or into another corporation, other than a merger with a subsidiary, in which merger the Company is the continuing corporation and which does not result in any reclassification, capital

reorganization or other change of outstanding shares of Common Stock or Private Financing Securities of the class issuable upon exercise of this Warrant or in case of any sale to another corporation of the property of the Company as an entirety, the Company shall, as a condition precedent to such transaction, cause effective provisions to be made so that the Holder shall have the right thereafter by exercising this Warrant at any time prior to the expiration of the Warrant, to purchase the kind and amount of shares of stock and other securities and property receivable upon such reclassification, capital reorganization and other change, consolidation, merger or sale by a holder of the number of shares of Common Stock or Private Financing Securities which might have been purchased upon exercise of this Warrant immediately prior to such reclassification, change, consolidation, merger or sale. Any such provision shall include provision for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Warrant. The foregoing provisions of this Section (i) shall similarly apply to successive reclassification, capital reorganizations and changes of shares of Common Stock and Private Financing Securities and to successive consolidations, mergers or sales. In the event that in connection with any such capital reorganization and any shares of Common Stock or Private Financing Securities shall be issued in exchange, conversion, substitution or payment, in whole or in part, for a security of the Company other than Common Stock or Private Financing Securities, any such issue shall be treated as an issue of Common Stock or Private Financing Securities covered by the provisions of Subsection (1) of Section (f) hereof.

(j) Registration Rights.

The Company covenants and agrees as follows:

(i) Definitions. For purposes of this paragraph (j):

(A) The terms “register,” “registered,” and “registration” refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act of 1933, as amended (the “Act”), and the declaration or ordering of effectiveness of such registration statement or document;

(B) The term “Registrable Securities” means (A) the Warrant Shares issuable upon exercise of the Warrant and (B) any shares of Common Stock or Private Financing Securities issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of the Warrant or the Warrant Shares, in each case held by the Holder (as defined below);

(C) The number of shares of “Registrable Securities then outstanding” shall be determined by the number of shares of Common Stock or Private Financing Securities outstanding which are, and the number of shares of Common Stock or Private Financing Securities issuable pursuant to then exercisable or convertible securities which upon issuance would be, Registrable Securities; and

(D) The term “Holder” means any holder of Registrable Securities.

(ii) Demand Registration. If at any time on or after the date that is six months after an underwritten initial public offering of shares of Common Stock of the Company but prior to _____, the Company shall receive a written request from the Holders of at least a majority of the Registrable Securities then outstanding that the Company file a registration statement under the Act covering such number of Registrable Securities specified by them, then the Company shall use its best efforts consistent with the terms contained in this Section (j) to effect the registration under the Act of all Registrable Securities which such Holders request to be registered (the “Demand Registration”).

(A) If the Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they will so advise the Company as a part of their Demand Registration request made pursuant to this Section (j)(ii). The Holders shall (together with the Company) enter into an underwriting agreement in customary form with an underwriter or underwriters selected by the Company with the consent of the Holders, which consent shall not be unreasonably withheld. The Company and holders of shares other than Registrable Securities who hold registration rights granted to them by the Company may participate in any offering hereunder at the expense of the Company, to the extent permitted by law and as may be limited by the next succeeding sentence. Notwithstanding any other provision of this Section (j)(ii), in the event that the managing underwriter advises the Holders and the Company in writing that in the underwriters’ opinion the number of shares requested to be included exceeds the number that can be sold in such offering, then the number of shares of Registrable Securities that the underwriter believes may be sold shall be allocated for inclusion in the registration statement in the following order of priority: (x) shares requested to be included by the Holders on a pro rata basis that in the opinion of such underwriter can be sold prior to the inclusion of any securities of the Company or any other security holder of the Company; (y) shares sold for the account of the Company that in the opinion of such underwriter can be sold prior to the inclusion of any securities of any other security holder of the Company; and (z) pro rata among any other holders of securities of the Company exercising contractual incidental registration rights other than any holders whose shares are included pursuant to clause (x) above.

(B) The Company is obligated to effect no more than two Demand Registrations of Registrable Securities pursuant to this Section (j)(ii).

(C) Notwithstanding the foregoing, the Company shall not be obligated to effect a Demand Registration: (x) within 180 days after effectiveness of a registration pursuant to demand registration rights in respect of the Registrable Securities or another Person having such rights; or (y) within 180 days after effectiveness of a registration referred to in Section (j)(ii).

(iii) Piggyback Registration Rights.

(A) At any time and from time to time after the date of this Warrant, whenever the Company proposes to file a registration statement with the Securities and Exchange Commission (the “Commission”) for a public offering and sale of securities of the Company (other than any registration statement on Form S-4 or Form S-8, or their

successors) (a “Registration Statement”), the Company will prior to such filing give written notice to the Holder of its intention to do so and, upon the written request of the Holder given within fifteen (15) days after the Company provides such notice, the Company shall use its best efforts to cause all Registrable Securities which the Company has been requested by the Holder to register to be registered under the Securities Act of 1933 (the “Securities Act”) to the extent necessary to permit their sale or other disposition in accordance with the intended methods of distribution specified in the request of the Holder; provided that the Company shall have the right to postpone or withdraw any registration effected pursuant to this Section (j)(iii) without obligation to the Holder.

(B) In connection with any registration under this Section (j)(iii) involving an underwritten offering of the Company’s securities, the Company shall not be required to include any shares covered hereby in such underwriting unless the Holder accepts the terms of the underwriting as agreed upon between the Company and the underwriters selected by it, and then only in such quantity as will not, in the sole discretion of the underwriters, jeopardize the success of the offering by the Company. If in the reasonable discretion of the managing underwriter or underwriters the registration of all, or part of, the shares covered hereby which the Holder has requested to be included would adversely affect such public offering, then the Company shall be required to include in the underwriting only that number of shares covered hereby, if any, which the managing underwriter or underwriters reasonably believe may be sold without causing such adverse effect.

(iv) When the Company is required by the provisions of this Agreement to effect the registration of any of the shares covered hereby under the Securities Act, the Company shall:

(A) file with the Commission a Registration Statement with respect to the Registrable Securities covered hereby and use its best efforts to cause that Registration Statement to become and remain effective;

(B) prepare and file with the Commission any amendments and supplements to the Registration Statement and the prospectus included in the Registration Statement as may be necessary to keep the Registration Statement effective until the earlier to occur of (a) such time as all shares covered hereby and included therein have been sold or (b) the expiration of two years;

(C) furnish to the Holder such reasonable numbers of copies of the prospectus, including a preliminary prospectus and any amended or supplemental prospectus, in conformity with the requirements of the Securities Act, and such other documents as the Holder may reasonably request in order to facilitate the public sale or other disposition of the shares covered hereby; and

(D) use its best efforts to register or qualify the Registrable Securities covered by the Registration Statement under the securities or Blue Sky laws of such states as the Holder shall reasonably request, and do any and all other acts and things that may be necessary or desirable to enable the Holder to consummate the public sale or other disposition of the shares covered hereby in such jurisdiction; provided, however, that the Company

shall not be required in connection with this Section (j) to qualify as a foreign corporation in any jurisdiction nor register or qualify the securities in any state which as a condition to such registration or qualification would impose material restrictions or other material conditions on the Company or any of its officers, directors or shareholders (including with respect to any shares held by such persons or entities) unless such restrictions or other conditions are approved by the party adversely affected.

If the Company advises the Holder that any preliminary or final prospectus is no longer in compliance with the requirements of the Securities Act, or that at such time it is otherwise a violation of any applicable securities laws to offer or sell securities pursuant to a preliminary or final prospectus, the Holder shall immediately cease offering or selling the shares covered hereby and, if requested, return all old prospectuses to the Company. The Holder may recommence offers and sales of the shares covered hereby upon receipt from the Company of an amended prospectus, if applicable, or receipt of ratification from the Company that the offer and sale of the shares covered hereby may resume.

(v) The Company will pay all Registration Expenses of all registrations under this Warrant. The term "Registration Expenses" shall mean all expenses incurred by the Company in complying with this Warrant, including, without limitation, all registration and filing fees, exchange listing fees, printing expenses, fees and disbursements of counsel for the Company and the fees and expenses of the Holder's own counsel, state Blue Sky fees and expenses, and the expense of any special audits incident to or required by any such registration, but excluding underwriting discounts and selling commissions attributable to the Registrable Securities covered thereby.

(vi) The Holder shall promptly furnish to the Company such information regarding the Holder and the distribution proposed by the Holder as the Company may reasonably request in writing and as shall be required in connection with any registration, qualification or compliance referred to in this Warrant.

(vii) The Company shall not be required to effect a particular registration of Registrable Securities pursuant to this Section (j) if it shall deliver to the holder or holders requesting such registration a written opinion of counsel to the effect that the Registrable Securities requested by such holder to be so registered may be sold in the U.S. public securities market without restriction or registration under the Securities Act and any applicable state securities laws. This limitation shall not affect any other Registrable Securities held by such holder.

(k) Callable Warrant. This Warrant may not be called by the Company at any time.

(l) Assignment. This Warrant may only be assigned to a transferee who has executed an Assignment Form, substantially in the form of Exhibit B attached hereto.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed and attested by the undersigned, each being duly authorized, as of the date below.

IVIEWIT HOLDINGS, INC.

By: _____
Name:
Title:

ATTEST:

By: _____
Name:
Title:

EXERCISE FORM

Dated: _____

The undersigned hereby irrevocably elects to exercise the within Warrant to the extent of purchasing _____ shares of Common Stock or _____ shares of Private Financing Securities and hereby makes payment of _____ in payment of the actual exercise price thereof.

The undersigned hereby represents and warrants that it either is an accredited investor, as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933 (the "Securities Act" as amended) or not a U.S. person, as defined in Rule 902(k) of Regulation S promulgated under the Securities Act.

INSTRUCTIONS FOR REGISTRATION OF STOCK

Name

(Please typewrite or print in block letters)

Address

Signature

CONVERSION RIGHT EXERCISE FORM

The undersigned hereby irrevocably elects to surrender ___ percent of its Warrant for such shares of Common Stock or Private Financing Securities pursuant to the Conversion Right provisions of the Warrant, as provided for in Section (a)(2) of such Warrant.

Please issue a certificate or certificates for such Common Stock or Private Financing Securities in the name of, pay cash for fractional shares pursuant to Section (c) of the Warrant (if applicable) and issue a new Warrant for the unexercised portion thereof (if applicable).

Name _____

(Please print Name and Address)

Address _____

Signature _____

NOTE: The above signature should correspond exactly with the name on the first page of this Warrant or with the name of the assignee appearing in the assignment form below

ASSIGNMENT FORM

FOR VALUE RECEIVED,

hereby sells, assigns and transfers unto

Name

(Please typewrite or print in block letters)

Address

the right to purchase Common Stock or Private Financing Securities represented by this Warrant to the extent of _____ shares as to which such right is exercisable and does hereby irrevocably constitute and appoint

_____ Attorney, to transfer the same on the books of the Company with full power of substitution in the premises.

Date: _____

Signature (Transferor) _____

The undersigned transferee hereby represents and warrants that it either is an accredited investor as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"), or not a U.S. person, as defined in Rule 902(k) of Regulation S promulgated under the Securities Act.

Date: _____

Signature (Transferee) _____

Draft/May 4, 2001

PLEDGE AGREEMENT

This PLEDGE AGREEMENT (the "Pledge Agreement") is dated as of May ____, 2001 by IVIEWIT HOLDINGS, INC., a Delaware corporation (the "Pledgor") for the benefit of ALPINE VENTURE CAPITAL PARTNERS LP, a Delaware limited partnership (the "Pledgee").

WITNESSETH

WHEREAS, the Pledgor and Pledgee have entered into entered into that certain Secured Note and Warrant Purchase Agreement, dated as of the date hereof (the "Note Purchase Agreement"), pursuant to which the Pledgor issued to the Pledgee (a) its 10% Senior Secured Note (the "Note") in the aggregate principal amount of \$300,000, and (b) Warrants to purchase either (i) Common Stock or (ii) Private Financing Securities; and

WHEREAS, pursuant to the Note and the Purchase Agreement, the Pledgor has agreed to enter into this Pledge Agreement providing for the pledge of all the stock of the Pledgor's subsidiaries which are set forth on Schedule 2 (the "Shares") to secure, among other things, the prompt payment of all obligations of the Pledgor under the Note; and

WHEREAS, this Agreement is given by the Pledgor in favor of the Pledgee to secure payment and performance of the obligations of the Pledgor under the Note;

NOW, THEREFORE, in consideration of the foregoing and of the mutual agreements contained herein, the parties hereto agree as follows:

1. Pledge of Shares, The Pledgor hereby pledges the Shares, and assigns and transfers to the Pledgee, all of its right, title and interest in and to the Shares, to be held by the Pledgee in accordance with this Agreement (the "Pledged Stock"). Upon the request of the Pledgee, the certificates representing the Shares shall be inscribed with a legend in the form set forth below.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE PLEDGED IN FAVOR OF THE PLEDGEE UNDER THE PLEDGE AGREEMENT DATED MAY ____, 2001 TO SECURE, AMONG OTHER THINGS, THE OBLIGATIONS OF IVIEWIT HOLDINGS, INC. UNDER THE SALE BY IVIEWIT HOLDINGS, INC. AND PURCHASE BY THE PLEDGEE OF AN AGGREGATE OF THREE HUNDRED THOURSAND (\$300,000) PRINCIPAL AMOUNT OF A SENIOR SECURED NOTE.

2. Security for Payments of the Note. This Agreement is being delivered pursuant to the Note and the Purchase Agreement and is made for the benefit of the Pledgee to secure the due and timely payment of the principal amount of and interest on the Note and all other amounts payable by the Pledgor thereunder.

3. Status of Pledged Stock. Pledgor hereby represents and warrants to Pledgee that (a) all of the shares of the Pledged Stock are validly issued and outstanding, fully paid and nonassessable and constitute 100% of the issued and outstanding shares of capital stock of each of the entities listed on Schedule 1 hereto (b) Pledgor is the registered and record and beneficial owner of the Pledged Stock, free and clear of all liens, charges, equities, encumbrances and restrictions on pledge or transfer (other than the pledge hereunder) and applicable restrictions pursuant to federal and state securities laws; (c) it has full power, legal right and lawful authority to execute this Agreement and to pledge, assign and transfer its Pledged Stock in the manner and form hereto; (d) the pledge and assignment of its Pledged Stock to the Pledgee pursuant to this Agreement creates or continues, as applicable, a valid and perfected first priority security interest in such Pledged Stock, securing the payment of the Note, assuming continuous and uninterrupted possession thereof by the Pledgee; (e) neither the pledge nor assignment of the Pledged Stock to the Pledgee pursuant to this Agreement does now, or will at any time in the future, contravene or conflict with any contractual agreement, law or regulation binding upon the Pledgor; and (f) this Agreement is legal, valid, binding and enforceable against the Pledgor in accordance with its terms except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles. Pledgor covenants with the Pledgee that it shall at all times cause its Pledged Stock to be represented by the certificates in accordance with Section 1 hereof and that it shall cause each of the entities listed on Schedule 2 hereto, not to issue any capital stock, or securities convertible into capital stock, at any time during the term of this Agreement other than to the Pledgor, who shall immediately pledge such additional capital stock to the Pledgee on substantially identical terms as are contained herein. Pledgor further covenants not to create a Subsidiary unless such Subsidiary shall pledge its capital stock to the Pledgee on substantially identical terms as are contained herein. Pledgor hereby agrees not to enter into any agreement requiring that the voting rights associated with the Pledged Stock be exercised in any particular manner nor grant any interest in or permit to exist any Lien, charge, encumbrance or restriction with respect to the Pledged Stock (other than applicable restrictions pursuant to federal and state securities laws) except for the liens, charges, encumbrances and restrictions contained herein.

4. Voting. To the extent the Pledged Stock entitles the holder of such property to a right to vote or exercise any right to consent with respect to such property, the Pledgor shall be entitled to vote any and all of the Pledged Stock and to give consents, waivers and ratifications in respect thereof until the occurrence of an Event of Default. From and after the occurrence of an Event of Default, until the date that there does not exist an Event of Default, the Pledgee shall be deemed to have been granted a proxy with respect to such stock and may in its discretion vote such Pledged Stock, or give consents, waivers and ratifications in respect thereof in the same proportion as the votes of all other stockholders of the Pledgor voting on any matter submitted to stockholders.

5. Protection of Pledged Stock. Pledgor agrees to pay when due all taxes,

charges, liens and assessments against the Pledged Stock, unless being contested in good faith by appropriate proceedings diligently conducted and against which adequate reserves have been established in accordance with generally accepted accounting principals applied on a consistent basis. Upon the failure of Pledgor to so pay or contest such taxes, charges, liens or assessments, the Pledgee at its option may pay or contest any of them (the Pledgee having the sole right to determine the legality or validity and the amount necessary to discharge such taxes, charges, liens or assessments).

6. Dividends. All dividends and other distribution with respect to any of the Pledged Stock shall be subject to the pledge hereunder. All dividends shall be promptly delivered to the Pledgee (together, if the Pledgee shall request, with stock powers or other instruments of assignment duly executed in blank affixed to any capital stock or other negotiable document or instrument so distributed) to be held, released or disposed of by it hereunder.

7. Definitions. "Event of Default" shall have the meaning set forth in Section 2 of the Note. Unless otherwise defined herein, capitalized terms used herein that are defined in the Note Purchase Agreement shall have the meanings specified in the Note Purchase Agreement.

8. Release of Pledged Stock. In the event of the payment or any prepayment in full of the principal amount and all interest due under the Note, the Pledgee will release the Pledged Stock from the pledge established hereunder to the Pledgor.

9. Remedies in Case of Event of Default. If an Event of Default shall occur at any time, the Pledgee shall have the rights and remedies provided in the Uniform Commercial Code as in effect from time to time in the State of New York. The Pledgee shall apply the proceeds of any sale or buying in, together with any other monies at the time held by it hereunder, as provided in Section 10 of this Agreement. Neither failure nor delay on the part of the Pledgee to exercise any right, remedy, power or privilege provided for herein or by statute or at law or in equity shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other such right, remedy, power or privilege.

10. Use of Proceeds. The proceeds of any sale, buy-in, payment on, settlement of collection, or other use or disposition of Pledged Stock, shall be applied by the Pledgee as follows:

(a) Expenses and Advances. In the event of any foreclosure on Pledged Stock pursuant to Section 9, first to the payment of all reasonable expenses, out-of-pocket costs and advances made or incurred by the Pledgee in connection with such foreclosure, together with any costs of collection required to be paid by the Pledgee, pursuant to the Note.

(b) Payment of Interest and Principal. After payment of any expenses and advances as described above, or if no such expenses or advances are payable hereunder, to the payment of the unpaid principal balance of and any accrued but unpaid interest on the Note; and

(c) Surplus. If any surplus remains after satisfaction of the Note, to the Pledgor or its successors and assigns.

11. Exchange of Pledged Stock. If at any time pursuant to a merger, reorganization, consolidation or other similar corporate transaction which is not a change in control, any property which immediately prior to such transaction is Pledged Stock is exchanged for or converted into, in whole or in part, cash or other property or a combination thereof, such cash and other property shall become Pledged Stock and shall be held subject to the terms and conditions of this Agreement generally applicable to Pledged Stock. Any cash received upon such an exchange or conversion of Pledged Stock shall be applied to the payment of the unpaid principal balance of and any accrued but unpaid interest on the Note. Any cash in excess of the amount so applied shall be paid to the Pledgor.

12. Attorney-in-Fact. Pledgor hereby appoints the Pledgee as the Pledgor's attorney-in-fact for the purposes of carrying out the provisions of this Agreement and taking any action and executing any instrument which the Pledgee may reasonably deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest; provided, that the Pledgee shall have and may exercise rights under this power of attorney only upon the occurrence and during the continuance of an Event of Default. Without limiting the generality of the foregoing, upon the occurrence and during the continuance of an Event of Default, the Pledgee shall have the right and power to receive, endorse and collect all checks and other orders for the payment of money made payable to the Pledgor representing any dividend, interest payment, principal payment or other distribution payable or distributable in respect to the Pledged Stock or any part thereof and to give full discharge for the same.

13. Other Rights. The rights, powers and remedies given to the Pledgee by this Agreement shall be in addition to all rights, powers and remedies given to the Pledgee by virtue of any statute or rule of law. No forbearance or failure or delay by the Pledgee in exercising any right power or remedy hereunder shall be deemed to be a waiver of such right, power or remedy, and any single or partial exercise of any right, power or remedy hereunder shall not preclude the further exercise thereof; and every right, power and remedy of the Pledgee shall continue in full force and effect until such right, power or remedy is specifically waived by the Pledgee by an instrument in writing.

14. Further Assurances. Pledgor agrees at its own expense to do such further acts and things, and to execute and deliver such additional conveyances, assignments, agreements and instruments, as the Pledgee may at any time reasonably request in connection with the administration or enforcement of this Agreement in order to better assure and confirm unto the Pledgee its rights, powers and remedies hereunder. Pledgor hereby consents and agrees that the issuers of the Pledged Stock shall be entitled to accept the provisions hereof as conclusive evidence of the right of the Pledgee, to exercise its rights hereunder with respect to the Pledged Stock, notwithstanding any other notice or direction to the contrary heretofore or hereafter given by such Pledgor or any other Person to any of such issuers.

15. Indemnity.

(a) Indemnity. Pledgor agrees to indemnify, pay and hold harmless the Pledgee, and the officers, directors, employees, agents and affiliates of the Pledgee (collectively called the “Indemnitees”) from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs (including, without limitation, settlement costs), expenses or disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitee shall be designated a party thereto), which may be imposed on, incurred by, or asserted against that Indemnitee, in any manner relating to or arising out of this Agreement, or any other Transaction Document (including, without limitation, any misrepresentation by Pledgor in this Agreement, or any other Transaction Document (the “Indemnified Liabilities”); provided that Pledgor shall not have any obligation to an Indemnitee hereunder with respect to an indemnified liability to the extent that such indemnified liability is found in a final judgment of a court of competent jurisdiction to have arisen from the gross negligence or bad faith of that Indemnitee. To the extent that the undertaking to indemnify, pay and hold harmless set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, Pledgor shall contribute the maximum portion which it is permitted to pay and satisfy under applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them.

(b) Survival. The obligations of Pledgor contained in this Section 15 shall survive the termination of this Agreement and the discharge of Pledgor’s other obligations under this Agreement and any other Transaction Document.

(c) Reimbursement. Pledgor agrees that any amounts paid by any Indemnitee as to which such Indemnitee has the right to reimbursement shall be added to the balance of the Note, and shall be considered a part of the Grantor’s Obligations (as defined in the Parent Security Agreement dated as of the date hereof, the “Parent Security Agreement”), and secured by the Collateral (as defined in the Parent Security Agreement).

16. Termination. Upon payment in full of the principal amount of and interest on the Note and any other amounts payable by the Pledgor thereunder, this Agreement shall terminate and the Pledgee shall deliver to the Pledgor any stock certificates held by the Pledgee for Pledged Stock that are shares of stock.

17. Miscellaneous.

(a) Notices. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally or sent by certified mail, return receipt requested, first-class postage prepaid, to the parties to this Agreement at the addresses listed in Section ___ of the Purchase Agreement or to such other address as either party to this Agreement shall have last designated by notice to the other party. All such notices and communications shall be deemed to have been received on the earlier of the date of receipt and the third business day after the date of mailing thereof in the manner set forth above.

(b) Binding Effect: Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement, or their respective successors or assigns, any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(c) Waiver. Either party hereto may by written notice to the other (i) extend the time for the performance of any of the obligations or other actions of the other under this Agreement; (ii) waive compliance with any of the conditions or covenants of the other contained in this Agreement; and (iii) waive or modify performance of any of the obligations of the other under this Agreement. Except as provided in the preceding sentence, no action taken pursuant to this Agreement, including, without limitation, any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representations, warranties, covenants or agreements contained herein. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach and no failure by either party to exercise any right or privilege hereunder shall be deemed a waiver of such party's rights or privileges hereunder or shall be deemed a waiver of such party's rights to exercise the same any subsequent time or times hereunder.

(d) Amendment. This Agreement may be amended, modified or supplemented only by a written instrument executed by the Pledgor and the Pledgee.

(e) Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by either the Pledgee or the Pledgor without the prior written consent of the other party.

(f) Further Assurances. Pledgor shall execute and deliver such further documents, certificates, assignments, security agreements and financing statements and do such further acts and things as the Pledgee may reasonably request the better to confirm or perfect the pledge intended to be granted by Pledgor to Pledgee hereby.

(g) Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York regardless of the law that might be applied under principles of conflict of laws.

(h) Section and Other Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(i) Counterparts: Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. This Agreement, once executed by a party, may be delivered to the other party hereto by facsimile transmission of a

copy of this Agreement bearing the signature of the party so delivering this Agreement.

(j) Severability. In case any right of the Pledgee or any provision hereof shall be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other right granted hereby or provision hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Pledge Agreement as of the day and year first above written.

PLEDGOR:

IVIEWIT HOLDINGS, INC.

By: _____
Name:
Title:

PLEDGEE:

ALPINE VENTURE CAPITAL PARTNERS LP
By: Alpine Venture Capital Corporation
its General Partner

By: _____
Name:
Title:

Schedule 1

LIST OF PLEDGED SUBSIDIARY COMPANIES

Draft/May 4, 2001

PARENT SECURITY AGREEMENT

This Parent Security Agreement (the "Agreement") is made as of May ____, 2001, by and between ALPINE VENTURE CAPITAL PARTNERS LP, a Delaware limited partnership (the "Secured Party"), and IVIEWIT HOLDINGS, INC., a Delaware corporation (the "Grantor").

WITNESSETH:

WHEREAS, the Grantor has issued to the Secured Party a 10% Senior Secured Note, dated May ____, 2001 (the "Note") in an aggregate principal amount of \$300,000; and

WHEREAS, under the terms of the Note, Grantor is required, and pursuant to this Agreement, Grantor desires to grant to the Secured Party a security interest in and to the Collateral (as hereinafter defined) to secure the Obligations (as hereinafter defined);

WHEREAS, capitalized terms used shall have the meaning specified in the Note (unless otherwise defined herein);

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and the amounts advanced under the Note, the parties hereto, intending to be legally bound hereby, agree as follows:

1. DEFINITIONS

For purposes of this Agreement, the following terms shall have the following meanings:

"Collateral" shall mean all of Grantor's

(a) Accounts, accounts receivable, contracts, notes, bills, acceptances, choses in action, chattel paper, instruments, documents and other forms of obligations at any time owing to the Grantor arising out of goods sold or leased or for services rendered by Grantor, the proceeds thereof and all of Grantor's rights with respect to any goods represented thereby, whether or not delivered, goods returned by customers and all rights as an unpaid vendor or lienor, including rights of stoppage in transit and of recovering possession by proceedings including replevin and reclamation, together with all customer lists, books and records, ledger and account cards, computer tapes, software, disks, printouts and records, whether now in existence or hereafter created, relating thereto (collectively referred to hereinafter as "Receivables");

(b) Inventory, including without limitation, all goods manufactured or acquired for sale or lease, and any piece goods, raw materials, work in process and finished merchandise, findings or component materials, and all supplies, goods, incidentals, office supplies, packaging materials and any and all items used or consumed in the operation of the business of Grantor or which may contribute to the finished product or to the sale, promotion and

shipment thereof, in which Grantor now or at any time hereafter may have an interest, whether or not the same is in transit or in the constructive, actual or exclusive occupancy or possession of Grantor or is held by Grantor or by others for Grantor's account (collectively referred to hereinafter as "Inventory");

(c) Goods, including without limitation, all machinery, equipment, parts, supplies, apparatus, appliances, tools, fittings, furniture, furnishings, fixtures and articles of tangible personal property of every description now or hereafter owned by the Grantor or in which Grantor may have or may hereafter acquire any interest, at any location (collectively referred to hereinafter as "Equipment");

(d) General intangibles in which the Grantor now has or hereafter acquires any rights, including but not limited to, and to the extent not covered by the Intellectual Property Security Agreement and Assignment between the Secured Party and the Grantor, causes of action, corporate or business records, inventions, designs, patents, patent applications, trademarks, trademark registrations and applications therefor, goodwill, trade names, trade secrets, trade processes, copyrights, copyright registrations and applications therefor, licenses, permits, franchises, customer lists, computer programs, all claims under guaranties, tax refund claims, rights and claims against carriers and shippers, leases, claims under insurance policies, all rights to indemnification and all other intangible personal property and intellectual property of every kind and nature;

(e) Books and records relating to any of the Collateral (including without limitation, customer data, credit files, computer programs, printouts, and other computer materials and records of the Grantor pertaining to any of the foregoing); and

(f) All the capital stock, bonds, notes, partnership interests, member interests in limited liability companies, and other securities, if any, held of record or beneficially by the Grantor, including without limitation the capital stock of all subsidiaries of the Grantor, and the Grantor's interests in all securities brokerage accounts ("Investments");

(g) All cash on hand and on deposit in banks, trust companies and similar institutions, and all property accounted for in the Grantor's financial statements as "cash equivalents" (collectively referred to hereinafter as "Cash");

(h) All accessions to, substitutions for and all replacements, products and proceeds of the foregoing, including without limitation proceeds of insurance policies insuring the Collateral (as hereinafter defined); and

(i) All proceeds of any of the foregoing;

in each case, whether now owned or at any time hereafter acquired.

"Event of Default" shall mean the occurrence of any Event of Default under the Note.

"Obligations" shall mean the unpaid principal amount of, and interest on the Note (including, without limitation, interest accruing after the maturity of the Note and interest

accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Company, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other obligations and liabilities of the Company to the Noteholder, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Note, any Transaction Document or this Agreement and any other document made, delivered or given in connection therewith or herewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees and disbursements of counsel to the Noteholder that are required to be paid by the Grantor or otherwise.

“Person” shall mean any individual, partnership, corporation, limited liability company, trust or other legal entity.

2. CREATION OF SECURITY INTEREST

2.1 As security for the full, prompt and complete payment and performance of each of the Obligations when due, Grantor hereby grants, pledges and assigns to the Secured Party a continuing first priority security interest in and to the Collateral.

3. COVENANTS OF GRANTOR

Grantor shall:

3.1 Deliver to the Secured Party endorsed or accompanied by instruments of assignment or transfer satisfactory to Secured Party, any instruments, documents and chattel papers which Secured Party may reasonably specify from time to time, including, without limitation, delivery of any notes receivable and collateral assignments of contracts.

3.2 Keep its inventory and equipment in the places specified therefor on Schedule 2 hereto (other than inventory sold or leased in the ordinary course of business) or, upon 30 days' prior written notice to the Secured Party, at such other places as shall be identified in such notice and which are in jurisdictions where all action required by Section 4 shall have been taken with respect to such inventory and equipment. The Grantor shall keep correct and accurate records itemizing and describing the Inventory and shall furnish to the Secured Party from time to time at reasonable intervals designated by the Secured Party, a current schedule of Inventory based upon its most recent physical inventory and its daily inventory records.

3.3 Cause its equipment to be maintained and preserved in the same condition, repair, and working order as when new, ordinary wear and tear excepted, and, in the case of any material loss or damage to any of its equipment, as quickly as practicable after the occurrence thereof, make or cause to be made all repairs, replacements, and other improvements in connection therewith which are necessary or desirable to such end. The Grantor, as soon as practicable following a request therefor by the Secured Party, shall deliver to the Secured Party any and all evidence of ownership of any of the Equipment (including without limitation certificates of title and applications for title). The Grantor shall not remove any material portion of the Equipment from its chief place of business or chief executive office without at least thirty (30) days prior written notice to the Secured Party and delivery to the Secured Party by the

Grantor prior to such removal of executed financing statements, amendments and other documents necessary to maintain the security interests granted hereunder. Other than in the ordinary course of business the Grantor shall not sell, exchange, lease, mortgage, encumber, pledge or otherwise dispose of or transfer any of the Equipment or any part thereof without the prior written consent of the Secured Party.

3.4 Pay promptly when due all property and other taxes, assessments, and governmental charges or levies imposed upon it, and all claims (including claims for labor, materials and supplies) against its inventory and equipment.

3.5 After the occurrence and during the existence of an Event of Default, receive in trust for the benefit of Secured Party all amounts and proceeds received or collected by Grantor in respect of its inventory and equipment, segregate such amounts and proceeds from other funds of Grantor, and forthwith pay such amounts and proceeds over to Secured Party in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided in Section 6.

3.6 Keep its principal place of business and principal executive office and the offices where it keeps its records, including all computer hardware and software, concerning its Receivables, and all originals of all chattel paper which evidence any such Receivables at the places specified in Schedule 2 hereto or, upon thirty (30) days prior written notice to Secured Party, at such other locations as shall be identified in such notice and which are in a jurisdiction where all action required by Section 4 shall have been taken with respect to its Receivables. Grantor will hold and preserve such records and chattel paper and will, upon reasonable notice, permit representatives of Secured Party at any time during normal business hours to inspect and make abstracts from such records and chattel paper. Grantor shall immediately endorse and deliver to the Secured Party each instrument included in the Receivables. Grantor shall immediately notify the Secured Party if any of its accounts arise out of contracts with the United States or any agency or instrumentality thereof, and execute any instruments and take any steps required by the Secured Party in order that all moneys due and to become due under such contracts shall be assigned to the Secured Party and notice given to the Government under the Federal Assignment of Claims Act.

3.7 From time to time upon request, Grantor shall provide the Secured Party with (i) schedules describing all accounts, (ii) additional schedules describing other receivables, (iii) specific written assignments to the Secured Party of any of its Receivables; and (iv) the name, address, account number and other identifying information of every bank, trust company, financial institution, custodian, brokerage firm or other person holding or having custody or possession of any of the Cash or Investments. Any failure to execute or deliver any schedule or assignment shall not, however, affect or limit any security interest or other right of the Secured Party in and to any Receivable. Upon the Secured Party's request, Grantor shall also furnish to the Secured Party copies of invoices to customers and shipping and delivery receipts or warehouse receipts relating thereto, as well as such other documents and instruments as the Secured Party may reasonably request in connection with any Receivable.

3.8 Grantor shall promptly notify the Secured Party of all returns, repossessions and recoveries of goods covered by the Receivables and of all claims asserted with

respect thereto. Each such notification shall be accompanied by a statement describing the relevant goods and the location thereof. Grantor shall not settle or adjust any dispute or claim, grant any discount, credit or allowance, or accept any return of merchandise except in the ordinary course of business. When Grantor receives collateral of any kind by reason of transactions between itself and its customers or account Grantors, it will hold the same on the Secured Party's behalf, subject to the Secured Party's instructions, as property forming part of the Receivables.

3.9 Except as otherwise provided in Section 6, Grantor shall continue to collect, at its own expenses, all amounts due or to become due to Grantor under the Receivables. In connection with such collections, Grantor may take (and, at the Secured Party's direction, shall take) such action as Grantor or the Secured Party may reasonably deem necessary or advisable to enforce collection of its Receivables; provided, however, that the Secured Party shall have the right, at any time and from time to time upon the occurrence of an Event of Default, to notify the account Grantors or obligors under any Receivables of the assignment of such Receivables to Secured Party, to verify with the account Grantors or obligors the validity, amount or any other matter relating to the Receivables, and to direct such account Grantors or obligors to make payment of all amounts due or to become due thereunder directly to the Secured Party and, upon such notification and at the expense of Grantor, to enforce collection of any amount, payment, or other terms thereof, upon terms which it considers advisable. Any amounts received or collected by the Secured Party pursuant to this subsection shall be held as cash collateral and applied as provided in Section 6. After such notification, and in any event after the occurrence and during the continuance of an Event of Default, (i) all amounts or proceeds received or collected by Grantor in respect of Receivables shall be received in trust for the benefit of the Secured Party hereunder, shall be segregated from other funds of Grantor, and shall be forthwith paid over to the Secured Party in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided in Section 6, and (ii) Grantor shall not adjust, settle or compromise the amount or payment of any Receivable, or release wholly or partly any account Grantor or obligor thereunder, or allow any credit or discount thereon.

3.10 Upon five (5) business days written notice to Grantor, the Secured Party shall have the right from time to time to communicate directly with account Grantors and obligors on the Receivables and to do test verifications of the Receivables.

4. FURTHER ASSURANCES

4.1 Grantor agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Secured Party may request, in order to perfect and protect any security interest granted or purported to be grained hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, Grantor will: (i) upon request by the Secured Party, mark conspicuously each item of chattel paper included in its Receivables and each of its records pertaining to any of the Collateral, with a legend, in form and substance satisfactory to the Secured Party, indicating that such chattel paper or Collateral is subject to the security interest granted hereby; (ii) if any of its Receivables shall be evidenced by a promissory note or other

instrument, deliver and pledge to the Secured Party hereunder such note or instrument duly indorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Secured Party, and (iii) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Secured Party may request, in order to perfect and preserve the security interests granted or purported to be granted hereby.

4.2 Grantor hereby authorizes the Secured Party to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of Grantor where permitted by law.

4.3 Grantor will furnish to the Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Party may request, all in reasonable detail.

5. INSURANCE

Grantor shall, at its own expense, maintain liability and casualty insurance with respect to its business and property with responsible and reputable insurance companies or associations reasonably satisfactory to the Secured Party in such amounts and covering such risks as are acceptable to or specified by the Secured Party, taking into account, among other factors, such amounts and risks as are usually carried by persons engaged in similar businesses and owning similar properties in the same general areas in which Grantor operates. Each policy for liability insurance shall provide for payment to or on behalf of Grantor and, upon an Event of Default, the Secured Party, as their interests may appear. Grantor shall, if so requested by the Secured Party, deliver to the Secured Party original or duplicate policies of insurance maintained pursuant hereto and, as often as the Secured Party may reasonably request, a report of a reputable insurance broker with respect to such insurance.

6. SECURED PARTY'S RIGHTS AND REMEDIES

6.1 Upon the occurrence and during the continuance of any Event of Default, the Secured Party may proceed to exercise (i) any one or more of the rights or remedies afforded by the Uniform Commercial Code of any applicable jurisdiction, including, without limitation, the right to sell any or all of the Collateral at one or more public or private sales, and of the date on which the Collateral will first be offered for sale in the case of any private sale, and to bid thereat or purchase any part or all thereof in its own or a nominee's name, free and clear of any equity of redemption; and to apply the net proceeds of the sale, after deduction for any costs and expenses of sale (including any liabilities incurred in connection therewith), including reasonable attorneys fees, to the payment of the Obligations in any manner or order which the Secured Party, in its sole discretion, may elect, to the payment of any other amount required by law and to the payment of any remaining net proceeds to whomsoever may lawfully be entitled to receive the same or as a court of competent jurisdiction may direct, without further notice and without regard to any equitable principles of marshaling or other like equitable doctrines, (ii) any rights or remedies upon any judgment entered upon the Note, and (iii) any other remedies or rights provided in the Note, simultaneously or consecutively, against or in respect of Grantor, all of which rights and remedies shall, to the full extent permitted by law, be cumulative. The choice

of one or more rights or remedies shall not be construed as a waiver or election barring other rights and remedies. Grantor hereby acknowledges and agrees that the Secured Party is not required to exercise all remedies and rights available to it equally with respect to all of the Collateral and that the Secured Party may select less than all of the Collateral with respect to which the remedies as determined by the Secured Party may be exercised.

6.2 Upon the occurrence of an Event of Default, or at any time thereafter if any Event of Default shall then be continuing, in addition to any rights under law and hereunder, Grantor hereby appoints the Secured Party as Grantor's attorney-in-fact, irrevocably, to insert the Secured Party's own name or that of a nominee or assignee as owner in the endorsements for any notes receivable or other contract or accounts receivable and, thereafter, the Secured Party or such nominee or assignee shall be entitled to all of the rights of an endorsee of such notes, contracts or accounts. Upon the occurrence of any Event of Default, or at any time thereafter if any Event of Default shall then be continuing, the Secured Party is authorized and empowered to compromise or extend the time for payment of any accounts receivable, for such amounts and upon such terms as the Secured Party may reasonably determine in its business judgment, all without consent of Grantor and without discharging or affecting the Obligations. Upon the occurrence of any Event of Default, or at any time thereafter if any Event of Default shall then be continuing, the Secured Party may notify account Grantors on accounts receivable assigned to the Secured Party hereunder of the Secured Party's interest therein and instruct them to make payment directly to the Secured Party. The Grantor hereby authorizes the Secured Party, at all times after the occurrence and during the continuation of an Event of Default to open Grantor's mail and collect any and all amounts due to the Grantor from persons obligated on any Receivables; and to take over the Grantor's post office boxes or make other arrangements as the Secured Party deems necessary to receive the Grantor's mail, including notifying the post office authorities to change the address for delivery of the Grantor's mail to such address as the Secured Party may designate.

6.3 In addition to or in conjunction with the rights and remedies referred to in Section 6.1 hereof, after the occurrence and during the continuance of an Event of Default:

6.3.1 Written notice mailed to Grantor at the address designated herein ten (10) business days or more prior to the date of public or private sale of any of the Collateral shall constitute reasonable notice.

6.3.2 Secured Party may require Grantor to assemble any of the Collateral and to make it available to the Secured Party at a place the Secured Party designates and reasonably convenient to Grantor and the Secured Party.

6.3.3 Secured Party may require Grantor to use its best efforts to obtain any approvals that are required by any governmental or regulatory body in order to permit the sale of the Collateral pursuant to this Agreement.

7. TRANSFERS AND OTHER LIENS

Grantor shall not:

7.1 Sell, assign (by operation of law or otherwise), or otherwise dispose of any of the Collateral except sales of inventory in the ordinary course of business.

7.2 Create or suffer to exist any lien, security interest, or other charge or encumbrance upon or with respect to any of the Collateral, which is senior to that of the Secured Party.

8. REPRESENTATIONS AND WARRANTIES OF GRANTOR

Grantor hereby makes the following representations and warranties:

8.1 The offices where the books and records of Grantor are kept concerning the accounts, contract rights and other similar Collateral of Grantor are located at _____.

8.2 Grantor conducts its business only under the name set forth on the signature page hereof.

8.3 Other than [_____], the security interests created pursuant to this Agreement and the liens with respect to the Company's office furniture and equipment, Grantor has good title to all of the Collateral free and clear of any and all liens and encumbrances.

8.4 The execution and delivery of this Agreement, the consummation of the transactions provided for herein and the fulfillment of the terms hereof will not result in the breach of any of the terms, conditions, provisions of, or constitute a default under, or conflict with, or cause any acceleration of any obligation under, any material agreement or other material instrument to which Grantor is a party or by which Grantor is bound.

8.5 No approvals of any nature are required by any governmental or regulatory authority or other third parties in connection with the security interests herein granted, except such as have already been obtained.

8.6 Grantor has the full power and legal authority to enter into this Agreement and to consummate the transactions contemplated hereby, and this Agreement constitutes the authorized, valid and binding obligation of Grantor enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency and other similar laws affecting the rights of creditors generally.

8.7 Grantor is the sole owner of the Collateral and has the legal right to grant the Secured Party a security interest therein.

8.8 With respect to its Receivables, the Grantor warrants and represents to the Secured Party that (i) the Receivables are genuine, are in all respects what they purport to be, are not evidenced by an instrument or document or, if evidenced by an instrument or document, are only evidenced by one original instrument or document; (ii) the Receivables cover bona fide sales and deliveries of inventory usually dealt in by Grantor, or the rendition by Grantor of services, to a Receivables Grantor in the ordinary course of business; and (iii) except for conditions generally applicable to Grantor's industry and markets, there are no facts, events, or occurrences known to Grantor pertaining particularly to any Receivables which are reasonably expected to materially impair in any way the validity, collectability or enforcement of such Receivables.

9. ACKNOWLEDGMENTS AND COVENANTS OF SECURED PARTY

9.1 The Secured Party hereby acknowledges that notwithstanding anything contained in this Agreement to the contrary, Grantor shall be permitted to grant security interests to third parties in any or all of the Collateral in the ordinary course of business and to sell or otherwise transfer in the ordinary course of business any Collateral free and clear of the lien created by this Agreement.

9.2 In the event that Grantor makes any grant of a security interest as permitted under Section 9.1 above, the Secured Party covenants to fully cooperate in removing any liens or other encumbrances which the Secured Party has placed on any or all of the Collateral of Grantor, such cooperation including without limitation the execution and delivery to Grantor for filing of any financing statements necessary in Grantor's discretion to terminate any liens the Secured Party may have on such Collateral.

10. ENTIRE AGREEMENT

This Agreement sets forth all of the promises, covenants, agreements, conditions and understandings among the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, with respect thereto, except as contained or referred to herein. This Agreement may be amended, waived, discharged or terminated only by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, discharge or termination is sought.

11. INVALIDITY

If any provisions of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereunder, but this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

12. NON-WAIVER AND NON-EXCLUSIVE REMEDIES

12.1 No remedy or right herein conferred upon, or reserved to Secured Party is intended to be to the exclusion of any other remedy or right, but each and every such remedy or

right shall be cumulative and shall be in addition to every other remedy or right given hereunder, and now or hereafter existing at law or in equity.

12.2 No delay or omission by Secured Party to exercise any remedy or right accruing upon an Event of Default shall impair any such remedy or right, or shall be construed to be a waiver of any such Event of Default, or an acquiescence therein, nor shall it affect any subsequent Event of Default of the same or of a different nature.

13. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon the permitted successors or assigns of Grantor and shall inure to the benefit of and be enforceable by the permitted successors or assigns of Secured Party.

14. GOVERNING LAW

This Agreement shall be governed as to its validity, interpretation and effect in accordance with the laws of the State of New York. Except as required by mandatory provisions of law and except if the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of any particular collateral are governed by the laws of a jurisdiction other than New York. Unless otherwise defined herein or the context otherwise requires, all terms used herein which are defined in the Uniform Commercial Code as enacted in New York shall have the meanings therein stated.

15. WAIVER OF JURY TRIAL

GRANTOR AND THE SECURED PARTY HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING TO WHICH THEY ARE PARTIES INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT AND THE RELATIONSHIPS ESTABLISHED HEREUNDER.

16. NOTICES

Any notice, request or consent required hereunder or in connection herewith shall be deemed satisfactorily given if in writing (including facsimile transmissions) and delivered by hand, U.S. mail (registered or certified mail) or recognized overnight courier to the parties at their respective addresses or telecopier number set forth in the Note or such other addresses or telecopier numbers as may be given by any party to the others in writing.

17. COUNTERPARTS; FACSIMILE SIGNATURES

This Agreement may be executed in one or more counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same instrument. This Agreement, once executed by a party, may be delivered to the other party hereto by facsimile transmission of a copy of this Agreement bearing the signature of the party so delivering this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their respective duly authorized officers on the date first above written.

GRANTOR:

IVIEWIT HOLDINGS, INC.

By: _____
Name:
Title:

SECURED PARTY:

ALPINE VENTURE CAPITAL PARTNERS LP
By: Alpine Venture Capital Corporation,
its General Partner

By: _____
Name:
Title:

SCHEDULE 2
Location of Collateral

1. Cash—Cash Balances are located at the following Banks:
2. Accounts Receivable – The Company’s accounts receivables primarily relate to amounts owed by _____.
All records and documentation related to accounts receivable are located at _____.
3. Inventories - All inventory of the Company is located at _____.
4. Deferred Processing Costs
5. Prepaid Expenses
6. Fixed Assets
All fixed assets are located at: _____:
7. Intangible Assets—All records and documentation related to intangible assets are held at _____.
8. Other Assets—Other assets consists primarily of _____.
9. All records and documentation are located at _____.

Draft/May 4, 2001

SUBSIDIARY SECURITY AGREEMENT

This Subsidiary Security Agreement (the "Agreement") is made as of May ____, 2001, by and between ALPINE VENTURE CAPITAL PARTNERS LP, a Delaware limited partnership (the "Secured Party"), and IVIEWIT TECHNOLOGIES, INC., a _____ corporation (the "Grantor").

WITNESSETH:

WHEREAS, Iviewit.com, Inc., and the parent company of the Grantor (the "Borrower") has issued to the Secured Party a 10% Senior Secured Note, dated May ____, 2001 (the "Note") in an aggregate principal amount of \$300,000; and

[WHEREAS, pursuant to a Subsidiary Guarantee, dated as of the date hereof (the "Guarantee"), the Grantor is guaranteeing, for the benefit of the Secured Party, certain obligations of the Borrower under the Note and certain other documents; and

WHEREAS, under the terms of the Guarantee, Grantor is required, and pursuant to this Agreement, Grantor desires to grant to the Secured Party a security interest in and to the Collateral (as hereinafter defined) to secure the Obligations (as hereinafter defined);]

WHEREAS, capitalized terms used shall have the meaning specified in the Note (unless otherwise defined herein);

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and the amounts advanced under the Note, the parties hereto, intending to be legally bound hereby, agree as follows:

1. DEFINITIONS

For purposes of this Agreement, the following terms shall have the following meanings:

"Collateral" shall mean all of Grantor's

(a) Accounts, accounts receivable, contracts, Note, bills, acceptances, choses in action, chattel paper, instruments, documents and other forms of obligations at any time owing to the Grantor arising out of goods sold or leased or for services rendered by Grantor, the proceeds thereof and all of Grantor's rights with respect to any goods represented thereby, whether or not delivered, goods returned by customers and all rights as an unpaid vendor or lienor, including rights of stoppage in transit and of recovering possession by proceedings including replevin and reclamation, together with all customer lists, books and records, ledger and account cards, computer tapes, software, disks, printouts and records, whether now in existence or hereafter created, relating thereto (collectively referred to hereinafter as "Receivables");

(b) Inventory, including without limitation, all goods manufactured or acquired for sale or lease, and any piece goods, raw materials, work in process and finished merchandise, findings or component materials, and all supplies, goods, incidentals, office supplies, packaging materials and any and all items used or consumed in the operation of the business of Grantor or which may contribute to the finished product or to the sale, promotion and shipment thereof, in which Grantor now or at any time hereafter may have an interest, whether or not the same is in transit or in the constructive, actual or exclusive occupancy or possession of Grantor or is held by Grantor or by others for Grantor's account (collectively referred to hereinafter as "Inventory");

(c) Goods, including without limitation, all machinery, equipment, parts, supplies, apparatus, appliances, tools, fittings, furniture, furnishings, fixtures and articles of tangible personal property of every description now or hereafter owned by the Grantor or in which Grantor may have or may hereafter acquire any interest, at any location (collectively referred to hereinafter as "Equipment");

(d) General intangibles in which the Grantor now has or hereafter acquires any rights, including but not limited to, and to the extent not covered by the Intellectual Property Security Agreement and Assignment between the Secured Party and the Grantor, causes of action, corporate or business records, inventions, designs, patents, patent applications, trademarks, trademark registrations and applications therefor, goodwill, trade names, trade secrets, trade processes, copyrights, copyright registrations and applications therefor, licenses, permits, franchises, customer lists, computer programs, all claims under guaranties, tax refund claims, rights and claims against carriers and shippers, leases, claims under insurance policies, all rights to indemnification and all other intangible personal property and intellectual property of every kind and nature;

(e) Books and records relating to any of the Collateral (including without limitation, customer data, credit files, computer programs, printouts, and other computer materials and records of the Grantor pertaining to any of the foregoing); and

(f) All the capital stock, bonds, Note, partnership interests, member interests in limited liability companies, and other securities, if any, held of record or beneficially by the Grantor, including without limitation the capital stock of all subsidiaries of the Grantor, and the Grantor's interests in all securities brokerage accounts ("Investments");

(g) All cash on hand and on deposit in banks, trust companies and similar institutions, and all property accounted for in the Grantor's financial statements as "cash equivalents" (collectively referred to hereinafter as "Cash");

(h) All accessions to, substitutions for and all replacements, products and proceeds of the foregoing, including without limitation proceeds of insurance policies insuring the Collateral (as hereinafter defined); and

(i) All proceeds of any of the foregoing;

in each case, whether now owned or at any time hereafter acquired.

“Event of Default” shall mean the occurrence of any Event of Default under the Note.

“Obligations” shall mean the unpaid principal amount of, and interest on the Note (including, without limitation, interest accruing after the maturity of the Note and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Company, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other obligations and liabilities of the Company to the Secured Party, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Note, the Guarantee, this Security Agreement, any other Transaction Document, and any other document made, delivered or given in connection therewith or herewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees and disbursements of counsel to the Secured Party that are required to be paid by the Grantor or otherwise.

“Person” shall mean any individual, partnership, corporation, limited liability company, trust or other legal entity.

2. CREATION OF SECURITY INTEREST As security for the full, prompt and complete payment and performance of each of the Obligations when due, Grantor hereby grants, pledges and assigns to the Secured Party, a continuing first priority security interest in and to the Collateral. This Security Agreement grants a first priority security interest to the Secured Party

3. COVENANTS OF GRANTOR

Grantor shall:

3.1 Deliver to Secured Party endorsed or accompanied by instruments of assignment or transfer satisfactory to Secured Party, any instruments, documents and chattel papers which Secured Party may reasonably specify from time to time, including, without limitation, delivery of any Note receivable and collateral assignments of contracts.

3.2 Keep its inventory and equipment in the places specified therefor on Schedule 2 hereto (other than inventory sold or leased in the ordinary course of business) or, upon 30 days’ prior written notice to Secured Party, at such other places as shall be identified in such notice and which are in jurisdictions where all action required by Section 4 shall have been taken with respect to such inventory and equipment. The Grantor shall keep correct and accurate records itemizing and describing the Inventory and shall furnish to the Secured Party from time to time at reasonable intervals designated by the Secured Party, a current schedule of Inventory based upon its most recent physical inventory and its daily inventory records.

3.3 Cause its equipment to be maintained and preserved in the same condition, repair, and working order as when new, ordinary wear and tear excepted, and, in the case of any material loss or damage to any of its equipment, as quickly as practicable after the occurrence thereof, make or cause to be made all repairs, replacements, and other improvements in connection therewith which are necessary or desirable to such end. The Grantor, as soon as practicable following a request therefor by the Secured Party, shall deliver to the Secured Party

any and all evidence of ownership of any of the Equipment (including without limitation certificates of title and applications for title). The Grantor shall not remove any material portion of the Equipment from its chief place of business or chief executive office without at least thirty (30) days prior written notice to the Secured Party and delivery to the Secured Party by the Grantor prior to such removal of executed financing statements, amendments and other documents necessary to maintain the security interests granted hereunder. Other than in the ordinary course of business the Grantor shall not sell, exchange, lease, mortgage, encumber, pledge or otherwise dispose of or transfer any of the Equipment or any part thereof without the prior written consent of the Secured Party.

3.4 Pay promptly when due all property and other taxes, assessments, and governmental charges or levies imposed upon it, and all claims (including claims for labor, materials and supplies) against its inventory and equipment.

3.5 After the occurrence and during the existence of an Event of Default, receive in trust for the benefit of Secured Party all amounts and proceeds received or collected by Grantor in respect of its inventory and equipment, segregate such amounts and proceeds from other funds of Grantor, and forthwith pay such amounts and proceeds over to Secured Party in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided in Section 6.

3.6 Keep its principal place of business and principal executive office and the offices where it keeps its records, including all computer hardware and software, concerning its Receivables, and all originals of all chattel paper which evidence any such Receivables at the places specified in Schedule 2 hereto or, upon thirty (30) days prior written notice to Secured Party, at such other locations as shall be identified in such notice and which are in a jurisdiction where all action required by Section 4 shall have been taken with respect to its Receivables. Grantor will hold and preserve such records and chattel paper and will, upon reasonable notice, permit representatives of Secured Party at any time during normal business hours to inspect and make abstracts from such records and chattel paper. Grantor shall immediately endorse and deliver to Secured Party each instrument included in the Receivables. Grantor shall immediately notify Secured Party if any of its accounts arise out of contracts with the United States or any agency or instrumentality thereof, and execute any instruments and take any steps required by Secured Party in order that all moneys due and to become due under such contracts shall be assigned to Secured Party and notice given to the Government under the Federal Assignment of Claims Act.

3.7 From time to time upon request, Grantor shall provide Secured Party with (i) schedules describing all accounts, (ii) additional schedules describing other receivables, (iii) specific written assignments to Secured Party of any of its Receivables; and (iv) the name, address, account number and other identifying information of every bank, trust company, financial institution, custodian, brokerage firm or other person holding or having custody or possession of any of the Cash or Investments. Any failure to execute or deliver any schedule or assignment shall not, however, affect or limit any security interest or other right of Secured Party in and to any Receivable. Upon Secured Party's request, Grantor shall also furnish to Secured Party copies of invoices to customers and shipping and delivery receipts or warehouse receipts

relating thereto, as well as such other documents and instruments as Secured Party may reasonably request in connection with any Receivable.

3.8 Grantor shall promptly notify Secured Party of all returns, repossessions and recoveries of goods covered by the Receivables and of all claims asserted with respect thereto. Each such notification shall be accompanied by a statement describing the relevant goods and the location thereof. Grantor shall not settle or adjust any dispute or claim, grant any discount, credit or allowance, or accept any return of merchandise except in the ordinary course of business. When Grantor receives collateral of any kind by reason of transactions between itself and its customers or account Grantors, it will hold the same on Secured Party's behalf, subject to Secured Party's instructions, as property forming part of the Receivables.

3.9 Except as otherwise provided in Section 6, Grantor shall continue to collect, at its own expenses, all amounts due or to become due to Grantor under the Receivables. In connection with such collections, Grantor may take (and, at Secured Party's direction, shall take) such action as Grantor or Secured Party may reasonably deem necessary or advisable to enforce collection of its Receivables; provided, however, that Secured Party shall have the right, at any time and from time to time upon the occurrence of an Event of Default, to notify the account Grantors or obligors under any Receivables of the assignment of such Receivables to Secured Party, to verify with the account Grantors or obligors the validity, amount or any other matter relating to the Receivables, and to direct such account Grantors or obligors to make payment of all amounts due or to become due thereunder directly to Secured Party and, upon such notification and at the expense of Grantor, to enforce collection of any amount, payment, or other terms thereof, upon terms which it considers advisable. Any amounts received or collected by Secured Party pursuant to this subsection shall be held as cash collateral and applied as provided in Section 6. After such notification, and in any event after the occurrence and during the continuance of an Event of Default, (i) all amounts or proceeds received or collected by Grantor in respect of Receivables shall be received in trust for the benefit of Secured Party hereunder, shall be segregated from other funds of Grantor, and shall be forthwith paid over to Secured Party in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided in Section 6, and (ii) Grantor shall not adjust, settle or compromise the amount or payment of any Receivable, or release wholly or partly any account Grantor or obligor thereunder, or allow any credit or discount thereon.

3.10 Upon five (5) business days written notice to Grantor, Secured Party shall have the right from time to time to communicate directly with account Grantors and obligors on the Receivables and to do test verifications of the Receivables.

4. FURTHER ASSURANCES

4.1 Grantor agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that Secured Party may request, in order to perfect and protect any security interest granted or purported to be grained hereby or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, Grantor will: (i) upon request by Secured Party, mark conspicuously each item of chattel paper included in its Receivables and each of its records

pertaining to any of the Collateral, with a legend, in form and substance satisfactory to Secured Party, indicating that such chattel paper or Collateral is subject to the security interest granted hereby; (ii) if any of its Receivables shall be evidenced by a promissory note or other instrument, deliver and pledge to Secured Party hereunder such note or instrument duly indorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to Secured Party, and (iii) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as Secured Party may request, in order to perfect and preserve the security interests granted or purported to be granted hereby.

4.2 Grantor hereby authorizes Secured Party to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of Grantor where permitted by law.

4.3 Grantor will furnish to Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Secured Party may request, all in reasonable detail.

5. INSURANCE

Grantor shall, at its own expense, maintain liability and casualty insurance with respect to its business and property with responsible and reputable insurance companies or associations reasonably satisfactory to Secured Party in such amounts and covering such risks as are acceptable to or specified by Secured Party, taking into account, among other factors, such amounts and risks as are usually carried by persons engaged in similar businesses and owning similar properties in the same general areas in which Grantor operates. Each policy for liability insurance shall provide for payment to or on behalf of Grantor and, upon an Event of Default, Secured Party, as their interests may appear. Grantor shall, if so requested by Secured Party, deliver to Secured Party original or duplicate policies of insurance maintained pursuant hereto and, as often as Secured Party may reasonably request, a report of a reputable insurance broker with respect to such insurance.

6. SECURED PARTY'S RIGHTS AND REMEDIES

6.1 Upon the occurrence and during the continuance of any Event of Default, Secured Party may proceed to exercise (i) any one or more of the rights or remedies afforded by the Uniform Commercial Code of any applicable jurisdiction, including, without limitation, the right to sell any or all of the Collateral at one or more public or private sales, and of the date on which the Collateral will first be offered for sale in the case of any private sale, and to bid thereat or purchase any part or all thereof in its own or a nominee's name, free and clear of any equity of redemption; and to apply the net proceeds of the sale, after deduction for any costs and expenses of sale (including any liabilities incurred in connection therewith), including reasonable attorneys fees, to the payment of the Obligations in any manner or order which Secured Party, in its sole discretion, may elect, to the payment of any other amount required by law and to the payment of any remaining net proceeds to whomsoever may lawfully be entitled to receive the same or as a court of competent jurisdiction may direct, without further notice and without regard to any equitable principles of marshaling or other like equitable doctrines, (ii) any rights or remedies

upon any judgment entered upon the Note, and (iii) any other remedies or rights provided in the Note, simultaneously or consecutively, against or in respect of Grantor, all of which rights and remedies shall, to the full extent permitted by law, be cumulative. The choice of one or more rights or remedies shall not be construed as a waiver or election barring other rights and remedies. Grantor hereby acknowledges and agrees that Secured Party is not required to exercise all remedies and rights available to it equally with respect to all of the Collateral and that Secured Party may select less than all of the Collateral with respect to which the remedies as determined by Secured Party may be exercised.

6.2 Upon the occurrence of an Event of Default, or at any time thereafter if any Event of Default shall then be continuing, in addition to any rights under law and hereunder, Grantor hereby appoints Secured Party as Grantor's attorney-in-fact, irrevocably, to insert Secured Party's own name or that of a nominee or assignee as owner in the endorsements for any Note receivable or other contract or accounts receivable and, thereafter, Secured Party or such nominee or assignee shall be entitled to all of the rights of an endorsee of such Note, contracts or accounts. Upon the occurrence of any Event of Default, or at any time thereafter if any Event of Default shall then be continuing, Secured Party is authorized and empowered to compromise or extend the time for payment of any accounts receivable, for such amounts and upon such terms as Secured Party may reasonably determine in its business judgment, all without consent of Grantor and without discharging or affecting the Obligations. Upon the occurrence of any Event of Default, or at any time thereafter if any Event of Default shall then be continuing, Secured Party may notify account Grantors on accounts receivable assigned to Secured Party hereunder of Secured Party's interest therein and instruct them to make payment directly to Secured Party. The Grantor hereby authorizes the Secured Party, at all times after the occurrence and during the continuation of an Event of Default to open Grantor's mail and collect any and all amounts due to the Grantor from persons obligated on any Receivables; and to take over the Grantor's post office boxes or make other arrangements as the Secured Party deems necessary to receive the Grantor's mail, including notifying the post office authorities to change the address for delivery of the Grantor's mail to such address as the Secured Party may designate.

6.3 In addition to or in conjunction with the rights and remedies referred to in Section 6.1 hereof, after the occurrence and during the continuance of an Event of Default:

6.3.1 Written notice mailed to Grantor at the address designated herein ten (10) business days or more prior to the date of public or private sale of any of the Collateral shall constitute reasonable notice.

6.3.2 Secured Party may require Grantor to assemble any of the Collateral and to make it available to Secured Party at a place Secured Party designates and reasonably convenient to Grantor and Secured Party.

6.3.3 Secured Party may require Grantor to use its best efforts to obtain any approvals that are required by any governmental or regulatory body in order to permit the sale of the Collateral pursuant to this Agreement.

7. TRANSFERS AND OTHER LIENS

Grantor shall not:

7.1 Sell, assign (by operation of law or otherwise), or otherwise dispose of any of the Collateral except sales of inventory in the ordinary course of business.

7.2 Create or suffer to exist any lien, security interest, or other charge or encumbrance upon or with respect to any of the Collateral, which is senior to that of the Secured Party.

8. REPRESENTATIONS AND WARRANTIES OF GRANTOR

Grantor hereby makes the following representations and warranties:

8.1 The offices where the books and records of Grantor are kept concerning the accounts, contract rights and other similar Collateral of Grantor are located at _____.

8.2 Grantor conducts its business only under the name set forth on the signature page hereof.

8.3 Other than [_____], the security interests created pursuant to this Agreement and the liens with respect to the Company's office furniture and equipment, Grantor has good title to all of the Collateral free and clear of any and all liens and encumbrances.

8.4 The execution and delivery of this Agreement, the consummation of the transactions provided for herein and the fulfillment of the terms hereof will not result in the breach of any of the terms, conditions, provisions of, or constitute a default under, or conflict with, or cause any acceleration of any obligation under, any material agreement or other material instrument to which Grantor is a party or by which Grantor is bound.

8.5 No approvals of any nature are required by any governmental or regulatory authority or other third parties in connection with the security interests herein granted, except such as have already been obtained.

8.6 Grantor has the full power and legal authority to enter into this Agreement and to consummate the transactions contemplated hereby, and this Agreement constitutes the authorized, valid and binding obligation of Grantor enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency and other similar laws affecting the rights of creditors generally.

8.7 Grantor is the sole owner of the Collateral and has the legal right to grant the Secured Party a security interest therein.

8.8 With respect to its Receivables, the Grantor warrants and represents to the Secured Party that (i) the Receivables are genuine, are in all respects what they purport to be, are

not evidenced by an instrument or document or, if evidenced by an instrument or document, are only evidenced by one original instrument or document; (ii) the Receivables cover bona fide sales and deliveries of inventory usually dealt in by Grantor, or the rendition by Grantor of services, to a Receivables Grantor in the ordinary course of business; and (iii) except for conditions generally applicable to Grantor's industry and markets, there are no facts, events, or occurrences known to Grantor pertaining particularly to any Receivables which are reasonably expected to materially impair in any way the validity, collectability or enforcement of such Receivables.

9. ACKNOWLEDGMENTS AND COVENANTS OF SECURED PARTY

9.1 Secured Party hereby acknowledges that notwithstanding anything contained in this Agreement to the contrary, Grantor shall be permitted to grant security interests to third parties in any or all of the Collateral in the ordinary course of business and to sell or otherwise transfer in the ordinary course of business any Collateral free and clear of the lien created by this Agreement.

9.2 In the event that Grantor makes any grant of a security interest as permitted under Section 9.1 above, Secured Party covenants to fully cooperate in removing any liens or other encumbrances which Secured Party has placed on any or all of the Collateral of Grantor, such cooperation including without limitation the execution and delivery to Grantor for filing of any financing statements necessary in Grantor's discretion to terminate any liens Secured Party may have on such Collateral.

10. ENTIRE AGREEMENT

This Agreement sets forth all of the promises, covenants, agreements, conditions and understandings among the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, with respect thereto, except as contained or referred to herein. This Agreement may be amended, waived, discharged or terminated only by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, discharge or termination is sought.

11. INVALIDITY

If any provisions of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereunder, but this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

12. NON-WAIVER AND NON-EXCLUSIVE REMEDIES

12.1 No remedy or right herein conferred upon, or reserved to Secured Party is intended to be to the exclusion of any other remedy or right, but each and every such remedy or right shall be cumulative and shall be in addition to every other remedy or right given hereunder, and now or hereafter existing at law or in equity.

12.2 No delay or omission by Secured Party to exercise any remedy or right accruing upon an Event of Default shall impair any such remedy or right, or shall be construed to be a waiver of any such Event of Default, or an acquiescence therein, nor shall it affect any subsequent Event of Default of the same or of a different nature.

13. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon the permitted successors or assigns of Grantor and shall inure to the benefit of and be enforceable by the permitted successors or assigns of Secured Party.

14. GOVERNING LAW

This Agreement shall be governed as to its validity, interpretation and effect in accordance with the laws of the State of New York. Except as required by mandatory provisions of law and except if the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of any particular collateral are governed by the laws of a jurisdiction other than New York. Unless otherwise defined herein or the context otherwise requires, all terms used herein which are defined in the Uniform Commercial Code as enacted in New York shall have the meanings therein stated.

15. WAIVER OF JURY TRIAL

GRANTOR AND SECURED PARTY HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING TO WHICH THEY ARE PARTIES INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT AND THE RELATIONSHIPS ESTABLISHED HEREUNDER.

16. NOTICES

Any notice, request or consent required hereunder or in connection herewith shall be deemed satisfactorily given if in writing (including facsimile transmissions) and delivered by hand, U.S. mail (registered or certified mail) or recognized overnight courier to the parties at their respective addresses or telecopier number set forth in the Note or such other addresses or telecopier numbers as may be given by any party to the others in writing.

17. COUNTERPARTS; FACSIMILE SIGNATURES

This Agreement may be executed in one or more counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same instrument. This Agreement, once executed by a party, may be delivered to the other party hereto by facsimile transmission of a copy of this Agreement bearing the signature of the party so delivering this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Security Agreement to be duly executed by their respective duly authorized officers on the date first above written.

GRANTOR:

IVIEWIT.COM, INC.

By: _____
Name:
Title:

SECURED PARTY:

ALPINE VENTURE CAPITAL PARTNERS LP
By: Alpine Venture Capital Corporation
its General Partner

By: _____
Name:
Title:

SCHEDULE 2
Location of Collateral

1. Cash: Cash Balances are located at the following Banks:
2. Accounts Receivable:
3. Inventories:
4. Deferred Processing Costs
5. Prepaid Expenses
6. Fixed Assets:
7. Intangible Assets:
8. Other Assets:
9. All records and documentation are located at

SUBSIDIARY SECURITY AGREEMENT

This Subsidiary Security Agreement (the "Agreement") is made as of May ___, 2001, by and between ALPINE VENTURE CAPITAL PARTNERS LP, a Delaware limited partnership (the "Secured Party"), and IVIEWIT.COM, INC., a Delaware corporation (the "Grantor").

WITNESSETH:

WHEREAS, Iviewit.com, Inc., and the parent company of the Grantor (the "Borrower") has issued to the Secured Party a 10% Senior Secured Note, dated May ___, 2001 (the "Note") in an aggregate principal amount of \$300,000; and

[WHEREAS, pursuant to a Subsidiary Guarantee, dated as of the date hereof (the "Guarantee"), the Grantor is guaranteeing, for the benefit of the Secured Party, certain obligations of the Borrower under the Note and certain other documents; and

WHEREAS, under the terms of the Guarantee, Grantor is required, and pursuant to this Agreement, Grantor desires to grant to the Secured Party a security interest in and to the Collateral (as hereinafter defined) to secure the Obligations (as hereinafter defined);]

WHEREAS, capitalized terms used shall have the meaning specified in the Note (unless otherwise defined herein);

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and the amounts advanced under the Note, the parties hereto, intending to be legally bound hereby, agree as follows:

1. DEFINITIONS

For purposes of this Agreement, the following terms shall have the following meanings:

"Collateral" shall mean all of Grantor's

(a) Accounts, accounts receivable, contracts, Note, bills, acceptances, choses in action, chattel paper, instruments, documents and other forms of obligations at any time owing to the Grantor arising out of goods sold or leased or for services rendered by Grantor, the proceeds thereof and all of Grantor's rights with respect to any goods represented thereby, whether or not delivered, goods returned by customers and all rights as an unpaid vendor or lienor, including rights of stoppage in transit and of recovering possession by proceedings including replevin and reclamation, together with all customer lists, books and records, ledger and account cards, computer tapes, software, disks, printouts and records, whether now in existence or hereafter created, relating thereto (collectively referred to hereinafter as "Receivables");

(b) Inventory, including without limitation, all goods manufactured or acquired for sale or lease, and any piece goods, raw materials, work in process and finished merchandise, findings or component materials, and all supplies, goods, incidentals, office supplies, packaging materials and any and all items used or consumed in the operation of the business of Grantor or which may contribute to the finished product or to the sale, promotion and shipment thereof, in which Grantor now or at any time hereafter may have an interest, whether or not the same is in transit or in the constructive, actual or exclusive occupancy or possession of Grantor or is held by Grantor or by others for Grantor's account (collectively referred to hereinafter as "Inventory");

(c) Goods, including without limitation, all machinery, equipment, parts, supplies, apparatus, appliances, tools, fittings, furniture, furnishings, fixtures and articles of tangible personal property of every description now or hereafter owned by the Grantor or in which Grantor may have or may hereafter acquire any interest, at any location (collectively referred to hereinafter as "Equipment");

(d) General intangibles in which the Grantor now has or hereafter acquires any rights, including but not limited to, and to the extent not covered by the Intellectual Property Security Agreement and Assignment between the Secured Party and the Grantor, causes of action, corporate or business records, inventions, designs, patents, patent applications, trademarks, trademark registrations and applications therefor, goodwill, trade names, trade secrets, trade processes, copyrights, copyright registrations and applications therefor, licenses, permits, franchises, customer lists, computer programs, all claims under guaranties, tax refund claims, rights and claims against carriers and shippers, leases, claims under insurance policies, all rights to indemnification and all other intangible personal property and intellectual property of every kind and nature;

(e) Books and records relating to any of the Collateral (including without limitation, customer data, credit files, computer programs, printouts, and other computer materials and records of the Grantor pertaining to any of the foregoing); and

(f) All the capital stock, bonds, Note, partnership interests, member interests in limited liability companies, and other securities, if any, held of record or beneficially by the Grantor, including without limitation the capital stock of all subsidiaries of the Grantor, and the Grantor's interests in all securities brokerage accounts ("Investments");

(g) All cash on hand and on deposit in banks, trust companies and similar institutions, and all property accounted for in the Grantor's financial statements as "cash equivalents" (collectively referred to hereinafter as "Cash");

(h) All accessions to, substitutions for and all replacements, products and proceeds of the foregoing, including without limitation proceeds of insurance policies insuring the Collateral (as hereinafter defined); and

(i) All proceeds of any of the foregoing;

in each case, whether now owned or at any time hereafter acquired.

“Event of Default” shall mean the occurrence of any Event of Default under the Note.

“Obligations” shall mean the unpaid principal amount of, and interest on the Note (including, without limitation, interest accruing after the maturity of the Note and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Company, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other obligations and liabilities of the Company to the Secured Party, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Note, the Guarantee, this Security Agreement, any other Transaction Document, and any other document made, delivered or given in connection therewith or herewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees and disbursements of counsel to the Secured Party that are required to be paid by the Grantor or otherwise.

“Person” shall mean any individual, partnership, corporation, limited liability company, trust or other legal entity.

2. CREATION OF SECURITY INTEREST As security for the full, prompt and complete payment and performance of each of the Obligations when due, Grantor hereby grants, pledges and assigns to the Secured Party, a continuing first priority security interest in and to the Collateral. This Security Agreement grants a first priority security interest to the Secured Party

3. COVENANTS OF GRANTOR

Grantor shall:

3.1 Deliver to Secured Party endorsed or accompanied by instruments of assignment or transfer satisfactory to Secured Party, any instruments, documents and chattel papers which Secured Party may reasonably specify from time to time, including, without limitation, delivery of any Note receivable and collateral assignments of contracts.

3.2 Keep its inventory and equipment in the places specified therefor on Schedule 2 hereto (other than inventory sold or leased in the ordinary course of business) or, upon 30 days’ prior written notice to Secured Party, at such other places as shall be identified in such notice and which are in jurisdictions where all action required by Section 4 shall have been taken with respect to such inventory and equipment. The Grantor shall keep correct and accurate records itemizing and describing the Inventory and shall furnish to the Secured Party from time to time at reasonable intervals designated by the Secured Party, a current schedule of Inventory based upon its most recent physical inventory and its daily inventory records.

3.3 Cause its equipment to be maintained and preserved in the same condition, repair, and working order as when new, ordinary wear and tear excepted, and, in the case of any material loss or damage to any of its equipment, as quickly as practicable after the occurrence thereof, make or cause to be made all repairs, replacements, and other improvements in connection therewith which are necessary or desirable to such end. The Grantor, as soon as practicable following a request therefor by the Secured Party, shall deliver to the Secured Party

any and all evidence of ownership of any of the Equipment (including without limitation certificates of title and applications for title). The Grantor shall not remove any material portion of the Equipment from its chief place of business or chief executive office without at least thirty (30) days prior written notice to the Secured Party and delivery to the Secured Party by the Grantor prior to such removal of executed financing statements, amendments and other documents necessary to maintain the security interests granted hereunder. Other than in the ordinary course of business the Grantor shall not sell, exchange, lease, mortgage, encumber, pledge or otherwise dispose of or transfer any of the Equipment or any part thereof without the prior written consent of the Secured Party.

3.4 Pay promptly when due all property and other taxes, assessments, and governmental charges or levies imposed upon it, and all claims (including claims for labor, materials and supplies) against its inventory and equipment.

3.5 After the occurrence and during the existence of an Event of Default, receive in trust for the benefit of Secured Party all amounts and proceeds received or collected by Grantor in respect of its inventory and equipment, segregate such amounts and proceeds from other funds of Grantor, and forthwith pay such amounts and proceeds over to Secured Party in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided in Section 6.

3.6 Keep its principal place of business and principal executive office and the offices where it keeps its records, including all computer hardware and software, concerning its Receivables, and all originals of all chattel paper which evidence any such Receivables at the places specified in Schedule 2 hereto or, upon thirty (30) days prior written notice to Secured Party, at such other locations as shall be identified in such notice and which are in a jurisdiction where all action required by Section 4 shall have been taken with respect to its Receivables. Grantor will hold and preserve such records and chattel paper and will, upon reasonable notice, permit representatives of Secured Party at any time during normal business hours to inspect and make abstracts from such records and chattel paper. Grantor shall immediately endorse and deliver to Secured Party each instrument included in the Receivables. Grantor shall immediately notify Secured Party if any of its accounts arise out of contracts with the United States or any agency or instrumentality thereof, and execute any instruments and take any steps required by Secured Party in order that all moneys due and to become due under such contracts shall be assigned to Secured Party and notice given to the Government under the Federal Assignment of Claims Act.

3.7 From time to time upon request, Grantor shall provide Secured Party with (i) schedules describing all accounts, (ii) additional schedules describing other receivables, (iii) specific written assignments to Secured Party of any of its Receivables; and (iv) the name, address, account number and other identifying information of every bank, trust company, financial institution, custodian, brokerage firm or other person holding or having custody or possession of any of the Cash or Investments. Any failure to execute or deliver any schedule or assignment shall not, however, affect or limit any security interest or other right of Secured Party in and to any Receivable. Upon Secured Party's request, Grantor shall also furnish to Secured Party copies of invoices to customers and shipping and delivery receipts or warehouse receipts

relating thereto, as well as such other documents and instruments as Secured Party may reasonably request in connection with any Receivable.

3.8 Grantor shall promptly notify Secured Party of all returns, repossessions and recoveries of goods covered by the Receivables and of all claims asserted with respect thereto. Each such notification shall be accompanied by a statement describing the relevant goods and the location thereof. Grantor shall not settle or adjust any dispute or claim, grant any discount, credit or allowance, or accept any return of merchandise except in the ordinary course of business. When Grantor receives collateral of any kind by reason of transactions between itself and its customers or account Grantors, it will hold the same on Secured Party's behalf, subject to Secured Party's instructions, as property forming part of the Receivables.

3.9 Except as otherwise provided in Section 6, Grantor shall continue to collect, at its own expenses, all amounts due or to become due to Grantor under the Receivables. In connection with such collections, Grantor may take (and, at Secured Party's direction, shall take) such action as Grantor or Secured Party may reasonably deem necessary or advisable to enforce collection of its Receivables; *provided, however*, that Secured Party shall have the right, at any time and from time to time upon the occurrence of an Event of Default, to notify the account Grantors or obligors under any Receivables of the assignment of such Receivables to Secured Party, to verify with the account Grantors or obligors the validity, amount or any other matter relating to the Receivables, and to direct such account Grantors or obligors to make payment of all amounts due or to become due thereunder directly to Secured Party and, upon such notification and at the expense of Grantor, to enforce collection of any amount, payment, or other terms thereof, upon terms which it considers advisable. Any amounts received or collected by Secured Party pursuant to this subsection shall be held as cash collateral and applied as provided in Section 6. After such notification, and in any event after the occurrence and during the continuance of an Event of Default, (i) all amounts or proceeds received or collected by Grantor in respect of Receivables shall be received in trust for the benefit of Secured Party hereunder, shall be segregated from other funds of Grantor, and shall be forthwith paid over to Secured Party in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided in Section 6, and (ii) Grantor shall not adjust, settle or compromise the amount or payment of any Receivable, or release wholly or partly any account Grantor or obligor thereunder, or allow any credit or discount thereon.

3.10 Upon five (5) business days written notice to Grantor, Secured Party shall have the right from time to time to communicate directly with account Grantors and obligors on the Receivables and to do test verifications of the Receivables.

4. FURTHER ASSURANCES

4.1 Grantor agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that Secured Party may request, in order to perfect and protect any security interest granted or purported to be grained hereby or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, Grantor will: (i) upon request by Secured Party, mark conspicuously each item of chattel paper included in its Receivables and each of its records

pertaining to any of the Collateral, with a legend, in form and substance satisfactory to Secured Party, indicating that such chattel paper or Collateral is subject to the security interest granted hereby; (ii) if any of its Receivables shall be evidenced by a promissory note or other instrument, deliver and pledge to Secured Party hereunder such note or instrument duly indorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to Secured Party, and (iii) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as Secured Party may request, in order to perfect and preserve the security interests granted or purported to be granted hereby.

4.2 Grantor hereby authorizes Secured Party to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of Grantor where permitted by law.

4.3 Grantor will furnish to Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Secured Party may request, all in reasonable detail.

5. INSURANCE

Grantor shall, at its own expense, maintain liability and casualty insurance with respect to its business and property with responsible and reputable insurance companies or associations reasonably satisfactory to Secured Party in such amounts and covering such risks as are acceptable to or specified by Secured Party, taking into account, among other factors, such amounts and risks as are usually carried by persons engaged in similar businesses and owning similar properties in the same general areas in which Grantor operates. Each policy for liability insurance shall provide for payment to or on behalf of Grantor and, upon an Event of Default, Secured Party, as their interests may appear. Grantor shall, if so requested by Secured Party, deliver to Secured Party original or duplicate policies of insurance maintained pursuant hereto and, as often as Secured Party may reasonably request, a report of a reputable insurance broker with respect to such insurance.

6. SECURED PARTY'S RIGHTS AND REMEDIES

6.1 Upon the occurrence and during the continuance of any Event of Default, Secured Party may proceed to exercise (i) any one or more of the rights or remedies afforded by the Uniform Commercial Code of any applicable jurisdiction, including, without limitation, the right to sell any or all of the Collateral at one or more public or private sales, and of the date on which the Collateral will first be offered for sale in the case of any private sale, and to bid thereat or purchase any part or all thereof in its own or a nominee's name, free and clear of any equity of redemption; and to apply the net proceeds of the sale, after deduction for any costs and expenses of sale (including any liabilities incurred in connection therewith), including reasonable attorneys fees, to the payment of the Obligations in any manner or order which Secured Party, in its sole discretion, may elect, to the payment of any other amount required by law and to the payment of any remaining net proceeds to whomsoever may lawfully be entitled to receive the same or as a court of competent jurisdiction may direct, without further notice and without regard to any equitable principles of marshaling or other like equitable doctrines, (ii) any rights or remedies

upon any judgment entered upon the Note, and (iii) any other remedies or rights provided in the Note, simultaneously or consecutively, against or in respect of Grantor, all of which rights and remedies shall, to the full extent permitted by law, be cumulative. The choice of one or more rights or remedies shall not be construed as a waiver or election barring other rights and remedies. Grantor hereby acknowledges and agrees that Secured Party is not required to exercise all remedies and rights available to it equally with respect to all of the Collateral and that Secured Party may select less than all of the Collateral with respect to which the remedies as determined by Secured Party may be exercised.

6.2 Upon the occurrence of an Event of Default, or at any time thereafter if any Event of Default shall then be continuing, in addition to any rights under law and hereunder, Grantor hereby appoints Secured Party as Grantor's attorney-in-fact, irrevocably, to insert Secured Party's own name or that of a nominee or assignee as owner in the endorsements for any Note receivable or other contract or accounts receivable and, thereafter, Secured Party or such nominee or assignee shall be entitled to all of the rights of an endorsee of such Note, contracts or accounts. Upon the occurrence of any Event of Default, or at any time thereafter if any Event of Default shall then be continuing, Secured Party is authorized and empowered to compromise or extend the time for payment of any accounts receivable, for such amounts and upon such terms as Secured Party may reasonably determine in its business judgment, all without consent of Grantor and without discharging or affecting the Obligations. Upon the occurrence of any Event of Default, or at any time thereafter if any Event of Default shall then be continuing, Secured Party may notify account Grantors on accounts receivable assigned to Secured Party hereunder of Secured Party's interest therein and instruct them to make payment directly to Secured Party. The Grantor hereby authorizes the Secured Party, at all times after the occurrence and during the continuation of an Event of Default to open Grantor's mail and collect any and all amounts due to the Grantor from persons obligated on any Receivables; and to take over the Grantor's post office boxes or make other arrangements as the Secured Party deems necessary to receive the Grantor's mail, including notifying the post office authorities to change the address for delivery of the Grantor's mail to such address as the Secured Party may designate.

6.3 In addition to or in conjunction with the rights and remedies referred to in Section 6.1 hereof, after the occurrence and during the continuance of an Event of Default:

6.3.1 Written notice mailed to Grantor at the address designated herein ten (10) business days or more prior to the date of public or private sale of any of the Collateral shall constitute reasonable notice.

6.3.2 Secured Party may require Grantor to assemble any of the Collateral and to make it available to Secured Party at a place Secured Party designates and reasonably convenient to Grantor and Secured Party.

6.3.3 Secured Party may require Grantor to use its best efforts to obtain any approvals that are required by any governmental or regulatory body in order to permit the sale of the Collateral pursuant to this Agreement.

7. TRANSFERS AND OTHER LIENS

Grantor shall not:

7.1 Sell, assign (by operation of law or otherwise), or otherwise dispose of any of the Collateral except sales of inventory in the ordinary course of business.

7.2 Create or suffer to exist any lien, security interest, or other charge or encumbrance upon or with respect to any of the Collateral, which is senior to that of the Secured Party.

8. REPRESENTATIONS AND WARRANTIES OF GRANTOR

Grantor hereby makes the following representations and warranties:

8.1 The offices where the books and records of Grantor are kept concerning the accounts, contract rights and other similar Collateral of Grantor are located at _____.

8.2 Grantor conducts its business only under the name set forth on the signature page hereof.

8.3 Other than [_____], the security interests created pursuant to this Agreement and the liens with respect to the Company's office furniture and equipment, Grantor has good title to all of the Collateral free and clear of any and all liens and encumbrances.

8.4 The execution and delivery of this Agreement, the consummation of the transactions provided for herein and the fulfillment of the terms hereof will not result in the breach of any of the terms, conditions, provisions of, or constitute a default under, or conflict with, or cause any acceleration of any obligation under, any material agreement or other material instrument to which Grantor is a party or by which Grantor is bound.

8.5 No approvals of any nature are required by any governmental or regulatory authority or other third parties in connection with the security interests herein granted, except such as have already been obtained.

8.6 Grantor has the full power and legal authority to enter into this Agreement and to consummate the transactions contemplated hereby, and this Agreement constitutes the authorized, valid and binding obligation of Grantor enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency and other similar laws affecting the rights of creditors generally.

8.7 Grantor is the sole owner of the Collateral and has the legal right to grant the Secured Party a security interest therein.

8.8 With respect to its Receivables, the Grantor warrants and represents to the Secured Party that (i) the Receivables are genuine, are in all respects what they purport to be, are

not evidenced by an instrument or document or, if evidenced by an instrument or document, are only evidenced by one original instrument or document; (ii) the Receivables cover bona fide sales and deliveries of inventory usually dealt in by Grantor, or the rendition by Grantor of services, to a Receivables Grantor in the ordinary course of business; and (iii) except for conditions generally applicable to Grantor's industry and markets, there are no facts, events, or occurrences known to Grantor pertaining particularly to any Receivables which are reasonably expected to materially impair in any way the validity, collectability or enforcement of such Receivables.

9. ACKNOWLEDGMENTS AND COVENANTS OF SECURED PARTY

9.1 Secured Party hereby acknowledges that notwithstanding anything contained in this Agreement to the contrary, Grantor shall be permitted to grant security interests to third parties in any or all of the Collateral in the ordinary course of business and to sell or otherwise transfer in the ordinary course of business any Collateral free and clear of the lien created by this Agreement.

9.2 In the event that Grantor makes any grant of a security interest as permitted under Section 9.1 above, Secured Party covenants to fully cooperate in removing any liens or other encumbrances which Secured Party has placed on any or all of the Collateral of Grantor, such cooperation including without limitation the execution and delivery to Grantor for filing of any financing statements necessary in Grantor's discretion to terminate any liens Secured Party may have on such Collateral.

10. ENTIRE AGREEMENT

This Agreement sets forth all of the promises, covenants, agreements, conditions and understandings among the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, with respect thereto, except as contained or referred to herein. This Agreement may be amended, waived, discharged or terminated only by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, discharge or termination is sought.

11. INVALIDITY

If any provisions of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereunder, but this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

12. NON-WAIVER AND NON-EXCLUSIVE REMEDIES

12.1 No remedy or right herein conferred upon, or reserved to Secured Party is intended to be to the exclusion of any other remedy or right, but each and every such remedy or right shall be cumulative and shall be in addition to every other remedy or right given hereunder, and now or hereafter existing at law or in equity.

12.2 No delay or omission by Secured Party to exercise any remedy or right accruing upon an Event of Default shall impair any such remedy or right, or shall be construed to be a waiver of any such Event of Default, or an acquiescence therein, nor shall it affect any subsequent Event of Default of the same or of a different nature.

13. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon the permitted successors or assigns of Grantor and shall inure to the benefit of and be enforceable by the permitted successors or assigns of Secured Party.

14. GOVERNING LAW

This Agreement shall be governed as to its validity, interpretation and effect in accordance with the laws of the State of New York. Except as required by mandatory provisions of law and except if the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of any particular collateral are governed by the laws of a jurisdiction other than New York. Unless otherwise defined herein or the context otherwise requires, all terms used herein which are defined in the Uniform Commercial Code as enacted in New York shall have the meanings therein stated.

15. WAIVER OF JURY TRIAL

GRANTOR AND SECURED PARTY HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING TO WHICH THEY ARE PARTIES INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT AND THE RELATIONSHIPS ESTABLISHED HEREUNDER.

16. NOTICES

Any notice, request or consent required hereunder or in connection herewith shall be deemed satisfactorily given if in writing (including facsimile transmissions) and delivered by hand, U.S. mail (registered or certified mail) or recognized overnight courier to the parties at their respective addresses or telecopier number set forth in the Note or such other addresses or telecopier numbers as may be given by any party to the others in writing.

17. COUNTERPARTS; FACSIMILE SIGNATURES

This Agreement may be executed in one or more counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same instrument. This Agreement, once executed by a party, may be delivered to the other party hereto by facsimile transmission of a copy of this Agreement bearing the signature of the party so delivering this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Security Agreement to be duly executed by their respective duly authorized officers on the date first above written.

GRANTOR:

IVIEWIT.COM, INC.

By: _____
Name:
Title:

SECURED PARTY:

ALPINE VENTURE CAPITAL PARTNERS LP
By: Alpine Venture Capital Corporation
its General Partner

By: _____
Name:
Title:

SCHEDULE 2
Location of Collateral

1. Cash: Cash Balances are located at the following Banks:
2. Accounts Receivable:
3. Inventories:
4. Deferred Processing Costs
5. Prepaid Expenses
6. Fixed Assets:
7. Intangible Assets:
8. Other Assets:
9. All records and documentation are located at

**INTELLECTUAL PROPERTY SECURITY AGREEMENT
AND ASSIGNMENT**

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT AND ASSIGNMENT (this "Agreement") is made as of this ____ day of May, 2001 by IVIEWIT TECHNOLOGIES, INC. (the "Grantor") in favor of ALPINE VENTURE CAPITAL PARTNERS LP, a Delaware limited partnership (the "Secured Party").

WHEREAS, pursuant to separate agreements, Iviewit.com, Inc., a _____ corporation [and the parent company of the Grantor (the "Borrower")], has issued to the Secured Party a 10% Senior Secured Note, dated the date hereof, in an aggregate principal amount of \$300,000 (the "Note"); and

[**WHEREAS**, pursuant to a Subsidiary Guarantee, dated as of the date hereof (the "Guarantee"), the Grantor is guaranteeing, for the benefit of the Secured Party, certain obligations of the Borrower under the Note and certain other Transaction Documents; and]

WHEREAS, in accordance with, and pursuant to, the terms of the Guarantee and the Subsidiary Security Agreement, dated as of the date hereof (the "Security Agreement"), between the Secured Party and the Grantor, the Grantor desires to grant to the Secured Party a security interest in the assets described herein;

WHEREAS, capitalized terms used, but not defined herein shall have the meaning given to them directly or by reference in the Security Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the Party hereto agree as follows:

1. Grant of Security. The Grantor hereby grants (subject to existing liens) a continuing security interest in and collaterally assigns to the Secured Party, all of the following (collectively, the "Collateral"):

(a) Patents. All of the Grantor's right, title and interest, whether now owned or hereafter acquired, in and to all United States issued patents and patent applications (including without limitation the patents and patent applications identified on Schedule I attached hereto and incorporated herein by reference) and including the right to recover for all past, present and future infringements thereof and all reissues, divisions, continuations, continuations-in-part, substitutes, renewals, and extensions thereof, all improvements thereon, and all other rights of any kind whatsoever of the Grantor accruing thereunder or pertaining thereto (collectively, the "Patents").

(b) Trademarks. All of the Grantor's right, title and interest, whether now owned or hereafter acquired, in and to all United States trademarks, trade names, trade dress, service marks, trademark and service mark registrations, and applications for trademark or service mark registration and any renewals thereof (including without limitation each trademark, trade name, trade dress, registration and application identified

in Schedule II attached hereto and incorporated herein by reference) and including all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto (including without limitation damages for past or future infringements thereof), the right to sue or otherwise recover for all past, present and future infringements thereof, all rights corresponding thereto throughout the world (but only such rights as now exist or may come to exist under applicable local law) and all other rights of any kind whatsoever of the Grantor accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each such trademark and service mark (collectively, the “Trademarks”).

(c) Copyrights. All of the Grantor’s right, title and interest, whether now owned or hereafter acquired, in and to all United States copyrights and copyright applications (including without limitation the copyrights and copyright applications identified on Schedule III attached hereto and incorporated herein by reference) and including the right to recover for all past, present and future infringements thereof and all reissues, divisions, continuations, continuations-in-part, substitutes, renewals, and extensions thereof, all improvements thereon, and all other rights of any kind whatsoever of the Grantor accruing thereunder or pertaining thereto (collectively, the “Copyrights”).

(d) Licenses. All license agreements regarding Patents, Trademarks or Copyrights (other than “off the shelf” software) with any other party, whether the Grantor is a licensor or licensee under any such license agreement (including without limitation the licenses listed on Schedule IV attached hereto and incorporated herein by reference), and the right to prepare for sale, sell and advertise for sale, all inventory now or hereafter owned by the Grantor and now or hereafter covered by such licenses (collectively, the “Licenses”).

(e) All proceeds of any of the foregoing.

In addition, the Grantor has executed in blank and delivered to the Secured Party an assignment of the Licenses and federally registered Patents, Trademarks and Copyrights (the “IP Assignment”) owned by it in the form of Exhibit A hereto. The Grantor hereby authorizes the Secured Party to complete as Assignee and record with the United States Patent and Trademark Office (the “Patent and Trademark Office”) and the United States Copyright Office (the “Copyright Office”) each IP Assignment upon the occurrence of an Event of Default (as defined in the Note) that is continuing at the time of filing.

2. Security for Obligations. The security interests granted under this Agreement (the “Security Interests”) by the Grantor secure the full, prompt and complete payment and performance of all Obligations of the Borrower and the Grantor. “Obligations” shall mean the unpaid principal amount of, and interest on the Note (including, without limitation, interest accruing after the maturity of the Note and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Company, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other obligations and liabilities of the Company to the Secured Party, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Note, the

Guarantees, this Security Agreement, any other Transaction Document, and any other document made, delivered or given in connection therewith or herewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees and disbursements of counsel to the Secured Party that are required to be paid by the Grantor, incurred in connection with the enforcement of the security interest granted hereby or otherwise. The Security Interests granted by this Agreement are granted in conjunction with the security interests granted to the Secured Party in other assets of the Grantor under the Security Agreement. The Collateral is not subject to any other liens or security interests.

3. Collateral Assignment. In addition to, and not in limitation of, the grant of the Security Interests in the Patents, Trademarks, Copyrights and Licenses in Section 1 above, the Grantor hereby grants, assigns, transfers, conveys and sets over to the Secured Party, the Grantor's entire right, title and interest in and to the Patents, Trademarks, Copyrights and Licenses; provided, that such grant, assignment, transfer and conveyance shall become effective only at the election of the Secured Party after the occurrence of an Event of Default that is continuing at the time of such election. The Grantor hereby agrees that after the effectiveness of such grant, assignment, transfer and conveyance of any of the Patents, Trademarks, Copyrights and Licenses, the use by the Secured Party of any of such Patents, Trademarks, Copyrights and Licenses shall be without any liability for royalties or other related charges from the Secured Party to the Grantor.

4. Further Assurances.

(a) The Grantor agrees that from time to time, at the expense of the Grantor, the Grantor will promptly execute and deliver all further instruments and documents and take all further action that may be necessary or desirable in the Secured Party reasonable determination, or that the Secured Party may reasonably request, in order to (i) continue, perfect and protect any Security Interest granted or purported to be granted hereby, (ii) enable the Secured Party, for the benefit of the Secured Party, to exercise and enforce its rights and remedies hereunder with respect to any part of the Collateral. Without limiting the generality of the foregoing, the Grantor will execute and file (with the appropriate governmental offices, authorities, agencies and regulatory bodies in the United States) such supplements to this Agreement and such financing or continuation statements, or amendments thereto, and such other instruments or notices, including executed IP Assignments, with the Patent and Trademark Office and the Copyright Office, as may be necessary or desirable, or as the Secured Party may reasonably request, in order to perfect and preserve the Security Interests granted hereby.

(b) The Grantor hereby authorizes the Secured Party, upon the occurrence and during the continuation of an Event of Default, to file, where permitted by law, one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of the Grantor where permitted by law. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) The Grantor will furnish to the Secured Party, from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Party, may reasonably request, all in reasonable detail.

(d) The Grantor agrees that, should it have or obtain an ownership interest in any United States patent or patent application that is not now identified on Schedule I, any trademark or trademark application that is not now identified on Schedule II or any copyright or copyright application that is not now identified on Schedule III or any license agreement in respect of any patent, trademark or copyright that is not now identified on Schedule IV: (i) the provisions of this Agreement shall automatically apply to such item, and such item shall automatically become part of the Collateral; (ii) the Grantor shall, within three months after acquiring or becoming aware of such ownership interest, (A) give written notice thereof to the Secured Party, (B) with respect to Trademarks and Patents, cause such Trademarks and Patents to be properly registered with the Patent and Trademark Office, (C) with respect to Copyrights, cause such Copyrights to be registered with the Copyright Office, and (D) file all documents that are known by the Grantor to be necessary or that the Secured Party reasonably requests in order to perfect the Security Interest of the Secured Party therein; provided, however, that so long as no Event of Default shall have occurred and be continuing, the registration obligations of the Borrower pursuant to subsections (ii)(B) and (ii)(C) of this Section 4(d) shall be limited to those that are consistent with the Grantor's business judgment and actual use of such Trademarks, Patents and Copyrights.

(e) The Grantor agrees: (i) to take all necessary steps in any proceeding before the Patent and Trademark Office, the Copyright Office or in any court, to maintain and pursue each patent application now or hereafter included in the Collateral and to maintain each material patent, trademark or copyright now or hereafter included in the Collateral, including the filing of divisional, continuation, continuation-in-part and substitute applications, the filing of applications for reissue, renewal or extensions, the payment of maintenance fees, and the participation in interference, reexamination, opposition and cancellation proceedings; (ii) to take corresponding steps with respect to material unpatented inventions on which the Grantor is now or hereafter becomes entitled to seek protection; (iii) to bear any expenses incurred in connection with such activities; and (iv) not to abandon any right to file a material patent application, or abandon any material pending application with respect to any of the Collateral, without the prior written consent of the Secured Party; provided, however, that so long as no Event of Default shall have occurred and be continuing, the requirements of the Grantor pursuant to subsections (i) and (ii) of this Section 4(f) shall be governed by the Grantor's business judgment and actual use of such Trademarks, Patents and Copyrights.

(f) No Grantor shall do any act or omit to do any act whereby any of the Collateral may become dedicated or abandoned, except where such dedication or abandonment (i) will not materially adversely affect the business, condition (financial or otherwise), operations, performance, or properties of the Grantor individually or of the Grantor and its Subsidiaries taken as a whole, and (ii) is in the ordinary course of the Grantor's business. The Grantor agrees to notify the Secured Party promptly and in

writing if it learns that any of the Collateral may become abandoned or dedicated or of any adverse determination or any development (including without limitation the institution of any proceeding in the Patent and Trademark Office, the Copyright Office, or any court) regarding any material part of the Collateral.

(g) The Grantor agrees that in the event that any of the Collateral as to which it has granted the Security Interests is infringed or misappropriated by a third party, the Grantor shall promptly notify the Secured Party and shall take all reasonable steps to terminate the infringement or misappropriation, and take such other actions as the Grantor shall deem appropriate under the circumstances to protect such Collateral; provided, however, that so long as no Event of Default shall have occurred and be continuing, the termination of infringement or misappropriation obligations of the Grantor described in this sentence shall be limited to those that are consistent with the Grantor's business judgment and actual use of such Collateral. Any expense incurred in connection with such activities shall be borne by the Grantor.

(h) The Grantor agrees (i) to maintain the quality of any and all products in connection with which the Collateral is used, consistent with the quality standards established by the Grantor for said products as of the date of determination, and (ii) to provide the Secured Party, quarterly, with a certificate of an officer of the Grantor certifying the Grantor's compliance with the foregoing subsections 4(a) through 4(i).

(i) The Grantor shall continue to mark its products as required by statute with the numbers of all appropriate Patents.

5. General Representations and Warranties. The Grantor represents and warrants as follows:

(a) It has the unqualified right to enter into this Agreement and to perform its terms and to grant all the rights, titles and interests granted herein.

(b) No authorization, consent, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other Person is required either (i) for the grant by the Grantor of the Security Interests granted hereby (excluding such licenses which, by their terms, required the consent of the licensor to assign the license but as to which the Grantor represents and warrants such consent has been made in writing, copies of which have been delivered to the Secured Party) or for the execution, delivery or performance of this Agreement by the Grantor, or (ii) for the perfection of or the exercise by the Secured Party, of its rights and remedies hereunder, except for the filing of this Agreement with the Patent and Trademark Office, the Copyright Office and the filings required by the Uniform Commercial Code of the State in which the Grantor maintains its chief executive office, and except to the extent that the exercise of rights and remedies may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors rights generally or by general principles of equity.

(c) The execution, delivery and performance by the Grantor of this Agreement does not and will not contravene any contractual restriction binding on or affecting the Grantor or any of its properties;

(d) This Agreement has been duly executed and delivered by the Grantor and is a legal, valid and binding obligation of the Grantor enforceable against the Grantor in accordance with its terms except as such enforcement may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization or other similar laws relating to or limiting creditors' rights generally or by general equity principles;

(e) To the best of the Grantor's knowledge, the Collateral does not infringe any rights owned or possessed by any third party;

(f) To the best of the Grantor's knowledge, there are no claims, judgments or settlements to be paid by the Grantor or pending claims or litigation relating to the Collateral;

(g) Set forth on Schedule IV is a list, which is complete and accurate in all material respects as of the date hereof, of Licenses of the Grantor necessary for the conduct of its business as currently conducted or utilized and material in the Grantor's equipment leasing operations or materially used in the selling or marketing of the Grantor's products, including the expiration date of such Licenses.

(h) Each License of the Grantor identified on Schedule IV is validly subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and is, to the Grantor's knowledge, valid and enforceable. No action or proceeding is pending or, to the Grantor's knowledge, threatened seeking to limit, cancel or question the validity of Collateral.

(i) Its products have been marked as required by statute with respect to the Collateral.

(j) The actions contemplated under or in connection with the Note will not impair the legal right of the Grantor to use any of the Collateral.

(k) Except as disclosed to the Secured Party in writing prior to the date of this Agreement, the Grantor has no knowledge of the existence of any right under any patent, trademark, license agreement, trade name, trade secret, know-how, confidential research, development and commercial information, or other proprietary information held by any other Person that would preclude the Grantor from publishing, distributing, marketing, selling, or using any product currently made by it, being made for it or sold or used by it, imported by it or exported by it, as the case may be, or to use any processes currently used by it (except, in each case, to the extent that the Grantor has granted an exclusive license to another Person), or materially interfere with the ability of the Grantor to carry on its business as currently carried on, and the Grantor has no knowledge of any claim to the contrary that is likely to be made.

(l) The Grantor has used consistent standards of quality in manufacturing, distribution and marketing of each product sold and provision of each service provided under any Trademark.

6. Patent Representations and Warranties. The Grantor represents and warrants as follows:

(a) It is the sole legal and beneficial owner of the Patents set forth opposite its name on Schedule I hereto, free and clear of any lien, security interest, option, charge, pledge, assignment (whether conditional or not), or any other encumbrance except for the Security Interests created or permitted by this Agreement, the Bank Security Interest and certain Licenses and registered user agreements described on Schedule IV and no financing statement or other instrument similar in effect covering all or any part of such Collateral is on file in any recording office, except such as may have been filed in favor of the Secured Party and except in connection with the Bank Security Interest.

(b) Set forth on Schedule I is a list of all of the Patents owned by the Grantor necessary for the conduct of its business as currently conducted or utilized in the Grantor's equipment leasing operations or used in the selling or marketing of the Grantor's products.

(c) Each Patent of the Grantor identified on Schedule I hereto is subsisting and has not been adjudged unpatentable, invalid or unenforceable, in whole or in part, and to the knowledge of the Grantor is patentable, valid and enforceable, and each of such Patent applications has been filed in conformity with applicable rules and procedures of the Patent and Trademark Office and will be diligently prosecuted in conformity therewith so as not to become improperly abandoned; provided, however, that so long as no Event of Default shall have occurred and be continuing, the filing and prosecution obligations of the Grantor described in this Section 6(c) shall be limited to those that are consistent with the Grantor's business judgment and actual use of such Collateral.

7. Trademark Representations and Warranties. The Grantor represents and warrants as follows:

(a) It is the sole, legal and beneficial owner of the entire right, title and interest in and to the Trademarks purported to be granted by it hereunder, free and clear of any lien, security interest, option, charge, pledge, registered user agreement, assignment (whether conditional or not), or covenant, or any other encumbrance, except for the Security Interests created or permitted by this Agreement, the Bank Security Interest, the Security Agreements, the Note, the Prior Security Agreements and certain Licenses and registered user agreements described on Schedule IV. No financing statement or other instrument similar in effect covering all or any part of the Trademarks purported to be granted by the Grantor hereunder is on file in any recording office, including, without limitation, the Patent and Trademark Office, except such as may have been filed in favor of the Secured Party and except in connection with the Bank Security Interest.

(b) Set forth on Schedule II is a list of all of the Trademarks owned by the Grantor necessary for the conduct of its business as currently conducted or utilized and material in the Grantor's equipment leasing operations or used in the selling or marketing of the Grantor's products.

(c) Each Trademark of the Grantor identified on Schedule II is validly subsisting and has not been abandoned or adjudged invalid, unregistrable or unenforceable, in whole or in part, and is, to the Grantor's knowledge, valid, registrable and enforceable.

8. Copyright Representations and Warranties. The Grantor represents and warrants as follows:

(a) It is the sole, legal and beneficial owner of the entire right, title and interest in and to the Copyrights purported to be granted by it hereunder, free and clear of any lien, security interest, option, charge, pledge, registered user agreement, assignment (whether conditional or not), or covenant, or any other encumbrance, except for the Security Interests created or permitted by this Agreement, the Bank Security Interest, the Security Agreements, the Note, the Prior Security Agreements and certain Licenses and registered user agreements described on Schedule IV. No effective financing statement or other instrument similar in effect covering all or any part of the Copyrights purported to be granted by the Grantor hereunder is on file in any recording office, including, without limitation, the Copyright Office, except such as may have been filed in favor of the Secured Party and except in connection with the Bank Security Interest.

(b) Set forth on Schedule III is a list of all of the Copyrights owned by the Grantor necessary for the conduct of its business as currently conducted or utilized and material in the Grantor's equipment leasing operations or materially used in the selling or marketing of the Grantor's products.

(c) Each Copyright of the Grantor identified on Schedule III is validly subsisting and has not been abandoned or adjudged invalid, unregistrable or unenforceable, in whole or in part, and is, to the Grantor's knowledge, valid and enforceable.

9. Transfers and Other Liens. The Grantor shall not:

(a) Sell, assign (except by operation of law) or otherwise dispose of any of, or grant any option with respect to, the Collateral, except as permitted by the Security Agreements and Note, except that the Grantor may license the Collateral (i) in the ordinary course of the Grantor's business, provided that such license is necessary or desirable in the conduct of the Grantor's business, or (ii) in connection with a sale of assets in compliance with the Security Agreement and Note, provided that such license shall be on terms reasonably expected to maximize the gain to the Grantor resulting from the granting of such license. The Secured Party shall execute any documents that the Grantor may reasonably request in order to permit the Grantor to exercise its right hereunder to license the Collateral, provided that the Secured Party shall not be required

to do anything that may, in the reasonable judgment of the Secured Party, adversely affect the validity of the Security Interests; or

(b) Take any other action in connection with any of the Collateral that would impair the value of the interest or rights of the Grantor in the Collateral taken as a whole or that would impair the interest or rights of the Secured Party; or

(c) Take any actions that would violate the terms of either of the Security Agreements, including without limitation under Sections 3 or 7 thereof.

10. Secured Party Appointed Attorney-in-Fact. Without limiting any other provision of this Agreement, upon the occurrence and during the continuance of an Event of Default, the Grantor hereby irrevocably appoints the Secured Party, as the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time in the Secured Party discretion, to take any action and to execute any instrument that the Secured Party may reasonably deem necessary or advisable to accomplish the purposes of this Agreement, including without limitation:

(a) To ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(b) To receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (a) above;

(c) To file any claims or take any action or institute any proceedings that the Secured Party may reasonably deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Secured Party, with respect to any of the Collateral; and

(d) To execute, in connection with the sale provided for in Section 13 hereof, any endorsement, assignments, or other instruments of conveyance or transfer with respect to the Collateral.

11. Secured Party May Perform.

(a) If the Grantor fails to perform any agreement contained herein, the Secured Party may itself perform, or cause performance of, such agreement, and the expenses of the Secured Party incurred in connection therewith shall be payable by the Grantor under Section 14(b) hereof to the fullest extent permitted by applicable law.

(b) The Secured Party or its designated representatives shall have the right to the extent reasonably requested and upon reasonable prior notice, at any reasonable time during normal business hours of the Grantor and from time to time, to inspect the Grantor's premises and to examine the Grantor's books, records and operations relating to the Collateral.

12. The Secured Party' Duties. The powers conferred on the Secured Party, hereunder are solely to protect the interest of the Secured Party in the Collateral and shall not impose any duty upon them to exercise any such powers. Except for the safe custody of any Collateral in their possession and the accounting for moneys actually received by them hereunder none of the Secured Party shall have any duty as to any Collateral or as to the taking of any necessary steps to preserve rights against any other party or any other rights pertaining to any Collateral. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if such Collateral is accorded treatment substantially equal to that which such party accords its own similar property.

13. Remedies Upon an Event of Default. If an Event of Default shall have occurred and be continuing:

(a) The Secured Party, may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of the Secured Party upon default under the Uniform Commercial Code as in effect in the State of New York (the "UCC") and also may (i) exercise any and all rights and remedies of the Grantor under, in connection with, or otherwise in respect of, such Collateral, including the completion and filing of the IP Assignment, (ii) require the Grantor to, and the Grantor hereby agrees that it will at its expense and upon request of the Secured Party forthwith, assemble all or part of the documents embodying such Collateral as directed by the Secured Party and make it available to the Secured Party, at a place to be designated by the Secured Party that is reasonably convenient to both the Secured Party and the Grantor, (iii) occupy any premises owned or leased by the Grantor where documents embodying such Collateral or any part thereof are assembled for a reasonable period in order to effectuate the Secured Party' rights and remedies hereunder or under applicable law, without obligation to the Grantor in respect of such occupation, (iv) license such Collateral or any part thereof, (v) with notice as specified below, sell such Collateral or any part thereof in one or more parcels at public or private sale, at any of the Secured Party' offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Secured Party may deem commercially reasonable, and (vi) without prior notice to the Grantor, direct any licensee of any Collateral to pay all royalties and other payments which may be or which may thereafter become payable to the Grantor directly to the Secured Party or any designee of the Secured Party, but the Secured Party shall give notice to the Grantor of any such direction no later than five (5) business days after giving any such direction. The Grantor agrees that at least ten (10) days' business notice to the Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Secured Party shall not be obligated to make any sale of the Collateral regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, with further notice to the Grantor, be made at the time and place to which it was so adjourned.

(b) All payments received by the Grantor under or in connection with the Collateral shall be received in trust for the benefit of the Secured Party, shall be

segregated from other funds of the Grantor and shall be immediately paid over to the Secured Party in the same form as so received (with any necessary endorsement).

(c) Payments made under or in connection with or otherwise in respect of the Collateral, and all cash proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of such Collateral may, in the discretion of the Secured Party, be held by the Secured Party, as collateral for, and then or at any time thereafter applied for the ratable benefit of the Secured Party against all or any part of the Obligations and any funds remaining thereafter shall be paid to the Company. Any sale or other disposition of the Collateral and the possession thereof by the Secured Party shall be in compliance with all provisions of applicable law (including applicable provisions of the UCC).

14. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Grantor therefrom shall in any event be effective unless the same shall be in writing and signed by the Secured Party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

15. Continuing Security Interest.

(a) This Agreement shall create a continuing Security Interest in the Collateral and shall remain in full force and effect until terminated in accordance with the provisions of Section 22 hereof.

(b) Except as permitted by the Security Agreements and the Note, the Grantor shall not sell, lease, transfer or otherwise dispose of any item of Collateral during the term of this Agreement without the prior written consent of the Secured Party to such sale, lease, transfer or other disposition.

(c) Upon the termination of this Agreement in accordance with Section 22 hereof, the Collateral shall be automatically released from the liens created hereby, all rights to the Collateral shall automatically revert to the Grantor, and this Agreement and all obligations of the Grantor hereunder shall terminate without delivery of any instrument or performance of any act by any party. Upon such termination of this Agreement, the Secured Party shall reassign and redeliver such Collateral then held by or for the Secured Party and execute and deliver to the Grantor such documents as it shall reasonably request to evidence such termination.

16. Definitions. All terms used herein and not specifically defined shall be defined in accordance with the appropriate definitions appearing in the Security Agreements, and such definitions are hereby incorporated herein by reference and made a part hereof.

17. Entire Agreement. This Agreement constitutes and expresses the entire understanding between the Parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings, inducements, commitments or conditions, express or implied, oral or written, except as herein contained. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof. Neither this Agreement nor any portion or provision hereof may be changed, altered,

modified, supplemented, discharged, canceled, terminated, or amended orally or in any manner other than by an agreement, in writing signed by the party hereto.

18. Further Assurances. The Grantor agrees at its own expense to do such further acts and things, and to execute and deliver such additional conveyances, assignments, financing statements, agreements and instruments, as the Secured Party may at any time reasonably request in connection with the administration or enforcement of this Agreement or related to the Collateral or any part thereof or in order better to assure and confirm unto the Secured Party its rights, powers and remedies hereunder. The Grantor hereby consents and agrees that the issuers of or obligors in respect of the Collateral shall be entitled to accept the provisions hereof as conclusive evidence of the right of the Secured Party, to exercise its rights hereunder with respect to the Collateral, notwithstanding any other notice or direction to the contrary heretofore or hereafter given by the Grantor or any other Person to any of such issuers or obligors.

19. Binding Agreement; Assignment. This Agreement, and the terms, covenants, conditions, rights and remedies hereof, shall be binding upon and inure to the benefit of the parties hereto, and to their respective heirs, legal representatives, successors and assigns; provided, however, that the Grantor shall not be permitted to assign any of its rights, powers, duties or obligations under this Agreement or any interest herein or in the Collateral, or any part thereof, or otherwise pledge, encumber or grant any option with respect to the Collateral, or any part thereof, or any cash or property held by the Secured Party as Collateral under this Agreement, without the prior written consent of the Secured Party which consent shall not be unreasonably withheld.

20. Severability. If any term or provision of this Agreement is or shall become illegal, invalid or unenforceable in any jurisdiction, all other terms and provisions of this Agreement shall remain legal, valid and enforceable in such jurisdiction and such illegal, invalid or unenforceable provision shall be legal, valid and enforceable in any other jurisdiction.

21. Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. This Agreement, once executed by a party, may be delivered to the other party hereto by facsimile transmission of a copy of this Agreement bearing the signature of the party so delivering this Agreement.

22. Termination. This Agreement and all obligations of the Grantor hereunder shall terminate once the Obligations have been paid in full.

23. Notices. Any notice, request or consent required hereunder or in connection herewith shall be deemed satisfactorily given if in writing (including facsimile transmissions) and delivered by hand, U.S. mail (registered or certified mail) or recognized overnight courier to the party at their respective addresses or telecopier number set forth in the Note or such other addresses or telecopier numbers as may be given by any party to the others in writing.

24. Governing Law. This agreement shall be governed as to its validity, interpretation and effect in accordance with the laws of the state of New York. Except as

required by mandatory provisions of law and except if the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of any particular collateral are governed by the laws of a jurisdiction other than New York.

25. WAIVER OF JURY TRIAL. DEBTOR AND SECURED PARTY HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING TO WHICH THEY ARE PARTY INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT AND THE RELATIONSHIPS ESTABLISHED HEREUNDER.

[Signature Pages Follow]

SCHEDULE I

Patents and Patent Applications

<u>Docket Number</u>	<u>Serial Number</u>	<u>Title</u>	<u>Date Filed</u>	<u>Date Assigned</u>
5865-1	60/125,824	Apparatus and method for producing enhanced digital images	3/24/1999	8/5/1999
5865-3	60/137,297	Apparatus and method for producing enhanced video images	6/3/1999	8/5/1999
5865-4	60/137,291	Apparatus and method for playing video files across the Internet	6/7/1 999	8/5/1999
5865-4.1	60/141,440	Apparatus and method for providing and/or information in a communication network	6/29/1999	Not Filed
5865-5	60/149,737	Apparatus and method for producing enhanced digital images and/or digital video files	8/19/1999	Not Filed
5865-6	60/146,726	Apparatus and method for producing enhanced digital images	8/2/1999	Not Filed
5865-7	60/155,404	Apparatus and method for producing enhanced video images and/or video files	9/22/1999	Not Filed
5865-8	60/169,559	Apparatus and method for producing enhanced video images and/or video files	12/8/1999	Not Filed

SCHEDULE II

Trademarks and Trademark Applications

iviewit Technologies, Inc.
Trademarks

Mark	Class	Serial Number	Date Filed
THE CLICK HEARD 'ROUND THE WORLD	9	75/725,802	6/8/1999
THE CLICK HEARD 'ROUND THE WORLD	38	75/725,823	6/8/1999
THE CLICK HEARD 'ROUND THE WORLD	42	75/725,821	6/8/1999
IVIEWIT.COM	9	75/725,820	6/8/1999
IVIEWIT.COM	38	75/725,819	6/8/1999
IVIEWIT.COM	42	75/725,818	6/8/1999
IVIEWIT	9	75/725,817	6/8/1999
IVIEWIT	38	75/725,816	6/8/1999
IVIEWIT	42	75/725,822	6/8/1999
IVIEWIT "YOUR THIRD EYE TO THE WORLD" and Design	9	75/725,805	6/8/1999
IVIEWIT "YOUR THIRD EYE TO THE WORLD" and Design	38	75/725,806	6/8/1999
IVIEWIT "YOUR THIRD EYE TO THE WORLD" and Design	42	75/725,807	6/8/1999
IVIEWIT "YOUR THIRD EYE TO THE WORLD" THE WEB and Design	9	75/725,808	6/8/1999
IVIEWIT "YOUR THIRD EYE TO THE WORLD" THE WEB and Design	38	75/725,809	6/8/1999
IVIEWIT "YOUR THIRD EYE TO THE WORLD" THE WEB and Design	42	75/725,810	6/8/1999

SCHEDULE III

Copyrights

None

SCHEDULE IV

License Agreements

None

EXHIBIT A

ASSIGNMENT OF PATENTS, TRADEMARKS, COPYRIGHTS AND LICENSES

THIS ASSIGNMENT OF PATENTS, TRADEMARKS, COPYRIGHTS AND LICENSES (this "Agreement") is made as of this ____ day of May, 2001 by **IVIEWIT TECHNOLOGIES, INC.** (the "Grantor"), and **ALPINE VENTURE CAPITAL PARTNERS LP** (the "Secured Party").

WITNESSETH:

WHEREAS, Iveiwit.com, Inc., a Delaware corporation and the parent company of the Grantor (the "Borrower"), has issued to the Secured Party a 10% Senior Secured Note dated on or about May ___, 2001 (the "Note") in an aggregate principal amount of \$300,000; and

[WHEREAS, pursuant to a Subsidiary Guarantee, dated as of the date hereof (the "Guarantee"), the Grantor is guaranteeing certain obligations of the Borrower under the Note and certain other Transaction Documents; and

WHEREAS, pursuant to the terms of the Guarantee and that certain Subsidiary Security Agreement dated as of the date hereof (the "Security Agreement") between the Grantor and the Secured Party, the Grantor has entered into an Intellectual Property Security Agreement and Assignment (the "IP Security Agreement") dated as of May ___, 2001 pursuant to which the Grantor has granted to the Secured Party security interests in the Trademarks, Copyrights, Licenses and Patents defined below in order to secure its obligations under the Guarantees; and]

WHEREAS, the Grantor (a) has adopted and used and is using the trademarks and service marks (the "Trademarks") identified on Annex I hereto, and is the owner of the registrations of and pending registration applications for such Trademarks in the United States Patent and Trademark Office identified on Annex I hereto, (b) is the owner of and uses the copyrights, copyright registrations and pending registration applications set forth on Annex II hereto (the "Copyrights"), (c) is a party to and has rights under the licenses and license agreements listed on Annex III hereto (the "Licenses") and (d) is the owner of and uses the patents, patent registrations and pending registration applications set forth on Annex IV hereto (the "Patents" and together with the Trademarks, the Copyrights and the Licenses, the "Collateral"); and

WHEREAS, the Secured Party desires to acquire the Trademarks, the Copyrights, the Licenses and the Patents and the registrations thereof and registration applications therefor, as applicable, in connection with the exercise of their remedies after the occurrence of an Event of Default (as such term is defined in the IP Security Agreement) under the IP Security Agreement;

WHEREAS, capitalized terms used, but not defined herein, shall have the meaning given to them directly or by reference in the Security Agreements;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Grantor does hereby assign, sell and transfer unto the Secured Party all right, title and interest in and to the Trademarks, Copyrights, Licenses and Patents, together

with (i) the registrations of and registration applications therefor, as applicable, (ii) the goodwill of the business symbolized by and associated with the Trademarks and the registrations thereof, (iii) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Trademarks, Copyrights, Patents or the registrations thereof or such associated goodwill, and (iv) all rights of the Grantor to enforce all Licenses.

The Grantor hereby grants to the Secured Party, and notice is hereby given that the Grantor has granted to the Secured Party, a first priority security interest in the Collateral to secure the payment and performance in full of all of the obligations of the Borrower under the Guarantees.

This Assignment is made pursuant to and subject to the terms of the IP Security Agreement, which is deemed incorporated herein by this reference and shall constitute part of this Assignment as if fully set forth herein.

This Assignment is intended to and shall take effect as a sealed instrument at such time as the Secured Party shall complete this instrument by signing its acceptance of this Assignment below.

The parties agree to promptly execute and deliver all further instruments necessary or desirable to carry out the purposes of this Agreement.

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. This Agreement, once executed by a party, may be delivered to the other party hereto by facsimile transmission of a copy of this Agreement bearing the signature of the party so delivering this Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have duly executed this Assignment of Patents, Trademarks, Copyrights and Licenses on the day and year first written above.

SECURED PARTY:

**ALPINE VENTURE CAPITAL PARTNERS
LP**

By: Alpine Venture Capital Corporation,
its general partner

By: _____
Name:
Title:

STATE OF _____)
) ss.
COUNTY OF _____)

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this ____ day of _____, 2001, personally appeared _____, to me known personally, and who, being by me duly sworn, deposes and says that he is the _____ of _____, and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its _____, and said _____ acknowledged said instrument to be the free act and deed of said _____.

Notary Public
My commission expires:

ANNEX I

iviewit Technologies, Inc.
Trademarks

Mark	Class	Serial Number	Date Filed
THE CLICK HEARD 'ROUND THE WORLD	9	75/725,802	6/8/1999
THE CLICK HEARD 'ROUND THE WORLD	38	75/725,823	6/8/1999
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IVIEWIT "YOUR THIRD EYE TO THE WORLD" THE WEB and Design	38	75/725,809	6/8/1999
IVIEWIT "YOUR THIRD EYE TO THE WORLD" THE WEB and Design	42	75/725,810	6/8/1999

ANNEX II

Copyrights

None

ANNEX III

Licenses

None

ANNEX IV

Pending Patent Applications

United States Patent and Trademark Office

<u>Patent</u>	<u>Serial No.</u>	<u>Filing Date</u>
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None

SUBSIDIARY GUARANTEE

GUARANTEE, dated as of May ____, 2001, made by Iviewit.com, Inc., a Delaware corporation ("Guarantor"), a wholly-owned subsidiary of Iviewit Holdings, Inc., a Delaware corporation (the "Company"), to and for the benefit of Alpine Venture Capital Partners LP (the "Noteholder").

Preliminary Statement

The Company has issued to the Noteholder on or about May ____, 2001, a 10% Senior Secured Note (the "Note") in an aggregate principal amount of Three Hundred Thousand Dollars (\$300,000), pursuant to a Note and Warrant Purchase Agreement, dated as of May ____, 2001 (the "Note Purchase Agreement").

WHEREAS, the Guarantor will benefit from the availability of credit to the Company under the terms and conditions of the Note;

WHEREAS, to induce the Noteholder to purchase the Note, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor is willing to guarantee the payment when due and timely performance of all of the obligations of the Company under the Note;

WHEREAS, capitalized terms used but not defined herein shall have the meaning given to them in the Note Purchase Agreement;

NOW, THEREFORE, in consideration of the foregoing premises, and intending to be legally bound hereby, the undersigned, jointly and severally, agree as follows:

1. **Continuing and Unconditional Guarantee.** The Guarantor hereby unconditionally, absolutely continually and irrevocably guarantees to and for the Noteholder the due performance, including without limitation the prompt payment when due or within any applicable grace period, whether at stated maturity, by acceleration or otherwise and at all times thereafter of any and all obligations of the Company owed to the Noteholder under the Note and the Transaction Documents (the "Obligations") irrespective of any change of the time, manner, place of payment.

This is a continuing Guarantee and shall remain in full force and effect and be binding upon the Guarantor, its successors and assigns until payment in full of all of the Obligations and no partial payment hereunder shall entitle the Guarantor, by subrogation or otherwise, to any payment by the Company or out of its property.

2. **Unconditional Obligations.** This is a guarantee of payment and performance and not only a guaranty of collection. The Guarantor's Obligations under this Guarantee shall be absolute and unconditional irrespective of the validity, legality or enforceability of the Note or any of the Transaction Documents, and shall not be affected by any action taken under the Note or any other agreement between the Noteholder and any other person, in the exercise of any right

or power therein conferred, or by any failure or omission to enforce any right conferred thereby, or by any waiver of any covenant or condition therein provided, or by any acceleration of the maturity of the Note, or any transfer or disposition of any assets of the Company or by any extension or renewal of the Note, in whole or in part, or by any modification, alteration, amendment or addition of or to the Note, or any other agreement between the Noteholder and the Company or any other person, or by any other circumstance whatsoever (with or without notice to or knowledge of the Guarantor) which may or might in any manner or to any extent vary the risks of the Guarantor, or might otherwise constitute a legal or equitable discharge of a surety or guarantor; it being the purpose and intent of the parties hereto that this Guarantee and the Guarantor's Obligations hereunder shall be absolute and unconditional under any and all circumstances and shall not be discharged except by payment in full of all the Obligations. This Guarantee shall continue in full force and effect and the Noteholder may continue to act in reliance thereon notwithstanding the termination or revocation of any other guaranty of Obligations, and shall be binding upon Guarantor and successors and assigns of Guarantor, who shall, nevertheless, remain liable with respect to Obligations and any renewals or extensions thereof or liabilities arising out of same, and the Noteholder shall have all the rights herein provided for as if no such event has occurred.

3. **Exercise.** On the occurrence of an "Event of Default" (as such term is defined in the Note), the Noteholder shall not be required to exercise any remedies available to it against the Company as are set forth in the Note or the other Transaction Document (the "Remedies"). A Noteholder shall have the right to exercise all Remedies against the Guarantor, to the extent necessary in the Noteholder's absolute discretion, to satisfy the Obligations.

4. **No Waivers of Rights and Remedies; Rights and Remedies Cumulative.** No failure on the part of the Noteholder to exercise, and no delay in exercising, any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by the Noteholder of any right, power or remedy preclude any other further exercise thereof or the exercise of any other right, power or remedy. The rights and remedies provided herein shall be in addition to and not exclusive of any rights or remedies provided at law or in equity.

5. **Other Guarantees.** A subsequent guarantee by any other guarantor of any of the Obligations shall not be deemed to be in lieu of or to supersede or terminate this Guarantee but shall be construed as an additional or supplementary guarantee unless otherwise expressly provided therein; and if any other guarantor has given to the Noteholder a previous guarantee or guarantees, this Guarantee shall be construed to be an additional or supplementary guarantee, and not to be in lieu thereof or to terminate such previous guarantee or guarantees.

6. **Set-Off and Waiver.** The Guarantor waives any right to assert against the Noteholder as a defense, counterclaim, set-off or cross claim, any defense (legal or equitable) or other claim which such Guarantor may now or at any time hereafter have against the Company or the Noteholder. If at any time hereafter the Noteholder employs counsel for advice or other representation to enforce the Guarantor's Obligations that arise out of an Event of Default, then, in any of the foregoing events, all of the attorneys' fees and disbursements arising from such services and all expenses, costs and charges in any way or respect arising in connection therewith or relating thereto shall be paid by the Guarantor to the Noteholder, on demand.

7. **Representations, Warranties and Covenants.** The Guarantor hereby represents, warrants and covenants to and with the Noteholder as follows:

(a) it is duly authorized to execute, deliver and perform this Guarantee;

(b) this Guarantee is legal, valid, binding and enforceable against such Guarantor in accordance with its terms except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles;

(c) the Guarantor's execution, delivery and performance of this Guarantee does not violate or constitute a breach of any agreement to which such Guarantor is a party, or any applicable laws;

(d) the Guarantor shall execute and deliver the Subsidiary Security Agreement in form and substance satisfactory to the Noteholder, within five (5) days from the date hereof; and, from time to time, at the expense of the Guarantor, the Guarantor will promptly execute and deliver all further instruments and documents and take all further action that may be necessary or desirable in the Noteholder's judgment, or that the Noteholder may reasonably request, in order to (i) continue, perfect and protect the security interest granted or purported to be granted hereby or by the Subsidiary Security Agreement, (ii) enable the Noteholder to exercise and enforce its rights and remedies hereunder or thereunder with respect to any part of the collateral secured by such security interests. Without limiting the generality of the foregoing, the Company will execute and file (with the appropriate governmental offices, authorities, agencies and regulatory bodies in the United States) such supplements to this Guarantee and such financing or continuation statements, or amendments thereto, and such other instruments or notices, including without limitation any financing statements on Form UCC-1 or any intellectual property assignments for filing with the Patent and Trademark Office and the Copyright Office, as may be necessary or desirable, or as each Noteholder may reasonably request, in order to perfect and preserve such security interests.

8. **Governing Law; Jurisdiction.** This Guarantee and all of the rights and obligations of the parties hereunder shall be governed by, and construed and enforced in accordance with the laws of the State of New York without reference to the choice of law principles thereof.

9. **Termination of Guarantee.** Nothing except payment in full of all of the Obligations shall release the Guarantor from liability under this Guarantee. This Guarantee will be returned when all Obligations shall have been paid in full.

10. **Binding Effect; Assignment.** The provisions of this Guarantee shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Guarantor may not assign or otherwise transfer any of its rights hereunder. A Noteholder may at any time sell, assign, pledge, grant participation in or otherwise transfer its rights under this Guarantee in whole or in part.

11. **Effectiveness.** This Guarantee shall become effective when it shall have been received by all the Noteholder.

12. **Amendments and Waivers.** Any provision of this Guarantee may be amended or waived if such amendment is in writing and is signed by the Guarantor and the Noteholder effected by such waiver.

[Signature Page Follows]

IN WITNESS WHEREOF, the Guarantor has executed this Subsidiary Guarantee or has caused the same to be executed in its name, as of the day and year first above written.

IVIEWIT.COM, INC.

By: _____
Name:
Title:

SUBSIDIARY GUARANTEE

GUARANTEE, dated as of May ____, 2001, made by Iviewit Technologies, Inc. ("Guarantor"), a wholly-owned subsidiary of Iviewit Holdings, Inc., a Delaware corporation (the "Company"), to and for the benefit of Alpine Venture Capital Partners LP (the "Noteholder").

Preliminary Statement

The Company has issued to the Noteholder on or about May ____, 2001, a 10% Senior Secured Note (the "Note") in an aggregate principal amount of Three Hundred Thousand Dollars (\$300,000), pursuant to a Note and Warrant Purchase Agreement, dated as of May ____, 2001 (the "Note Purchase Agreement").

WHEREAS, the Guarantor will benefit from the availability of credit to the Company under the terms and conditions of the Note;

WHEREAS, to induce the Noteholder to purchase the Note, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor is willing to guarantee the payment when due and timely performance of all of the obligations of the Company under the Note;

WHEREAS, capitalized terms used but not defined herein shall have the meaning given to them in the Note Purchase Agreement;

NOW, THEREFORE, in consideration of the foregoing premises, and intending to be legally bound hereby, the undersigned, jointly and severally, agree as follows:

1. **Continuing and Unconditional Guarantee.** The Guarantor hereby unconditionally, absolutely continually and irrevocably guarantees to and for the Noteholder the due performance, including without limitation the prompt payment when due or within any applicable grace period, whether at stated maturity, by acceleration or otherwise and at all times thereafter of any and all obligations of the Company owed to the Noteholder under the Note and the Transaction Documents (the "Obligations") irrespective of any change of the time, manner, place of payment.

This is a continuing Guarantee and shall remain in full force and effect and be binding upon the Guarantor, its successors and assigns until payment in full of all of the Obligations and no partial payment hereunder shall entitle the Guarantor, by subrogation or otherwise, to any payment by the Company or out of its property.

2. **Unconditional Obligations.** This is a guarantee of payment and performance and not only a guaranty of collection. The Guarantor's Obligations under this Guarantee shall be absolute and unconditional irrespective of the validity, legality or enforceability of the Note or any of the Transaction Documents, and shall not be affected by any action taken under the Note or any other agreement between the Noteholder and any other person, in the exercise of any right or power therein conferred, or by any failure or omission to enforce any right conferred thereby,

or by any waiver of any covenant or condition therein provided, or by any acceleration of the maturity of the Note, or any transfer or disposition of any assets of the Company or by any extension or renewal of the Note, in whole or in part, or by any modification, alteration, amendment or addition of or to the Note, or any other agreement between the Noteholder and the Company or any other person, or by any other circumstance whatsoever (with or without notice to or knowledge of the Guarantor) which may or might in any manner or to any extent vary the risks of the Guarantor, or might otherwise constitute a legal or equitable discharge of a surety or guarantor; it being the purpose and intent of the parties hereto that this Guarantee and the Guarantor's Obligations hereunder shall be absolute and unconditional under any and all circumstances and shall not be discharged except by payment in full of all the Obligations. This Guarantee shall continue in full force and effect and the Noteholder may continue to act in reliance thereon notwithstanding the termination or revocation of any other guaranty of Obligations, and shall be binding upon Guarantor and successors and assigns of Guarantor, who shall, nevertheless, remain liable with respect to Obligations and any renewals or extensions thereof or liabilities arising out of same, and the Noteholder shall have all the rights herein provided for as if no such event has occurred.

3. **Exercise.** On the occurrence of an "Event of Default" (as such term is defined in the Note), the Noteholder shall not be required to exercise any remedies available to it against the Company as are set forth in the Note or the other Transaction Document (the "Remedies"). A Noteholder shall have the right to exercise all Remedies against the Guarantor, to the extent necessary in the Noteholder's absolute discretion, to satisfy the Obligations.

4. **No Waivers of Rights and Remedies; Rights and Remedies Cumulative.** No failure on the part of the Noteholder to exercise, and no delay in exercising, any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by the Noteholder of any right, power or remedy preclude any other further exercise thereof or the exercise of any other right, power or remedy. The rights and remedies provided herein shall be in addition to and not exclusive of any rights or remedies provided at law or in equity.

5. **Other Guarantees.** A subsequent guarantee by any other guarantor of any of the Obligations shall not be deemed to be in lieu of or to supersede or terminate this Guarantee but shall be construed as an additional or supplementary guarantee unless otherwise expressly provided therein; and if any other guarantor has given to the Noteholder a previous guarantee or guarantees, this Guarantee shall be construed to be an additional or supplementary guarantee, and not to be in lieu thereof or to terminate such previous guarantee or guarantees.

6. **Set-Off and Waiver.** The Guarantor waives any right to assert against the Noteholder as a defense, counterclaim, set-off or cross claim, any defense (legal or equitable) or other claim which such Guarantor may now or at any time hereafter have against the Company or the Noteholder. If at any time hereafter the Noteholder employs counsel for advice or other representation to enforce the Guarantor's Obligations that arise out of an Event of Default, then, in any of the foregoing events, all of the attorneys' fees and disbursements arising from such services and all expenses, costs and charges in any way or respect arising in connection therewith or relating thereto shall be paid by the Guarantor to the Noteholder, on demand.

7. **Representations, Warranties and Covenants.** The Guarantor hereby represents, warrants and covenants to and with the Noteholder as follows:

(a) it is duly authorized to execute, deliver and perform this Guarantee;

(b) this Guarantee is legal, valid, binding and enforceable against such Guarantor in accordance with its terms except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles;

(c) the Guarantor's execution, delivery and performance of this Guarantee does not violate or constitute a breach of any agreement to which such Guarantor is a party, or any applicable laws;

(d) the Guarantor shall execute and deliver the Subsidiary Security Agreement and the Subsidiary Intellectual Property Security Agreement, in form and substance satisfactory to the Noteholder, within five (5) days from the date hereof; and, from time to time, at the expense of the Guarantor, the Guarantor will promptly execute and deliver all further instruments and documents and take all further action that may be necessary or desirable in the Noteholder's judgment, or that the Noteholder may reasonably request, in order to (i) continue, perfect and protect the security interest granted or purported to be granted hereby or by the Subsidiary Security Agreement and the Subsidiary Intellectual Property Security Agreement, (ii) enable the Noteholder to exercise and enforce its rights and remedies hereunder or thereunder with respect to any part of the collateral secured by such security interests. Without limiting the generality of the foregoing, the Company will execute and file (with the appropriate governmental offices, authorities, agencies and regulatory bodies in the United States) such supplements to this Guarantee and such financing or continuation statements, or amendments thereto, and such other instruments or notices, including without limitation any financing statements on Form UCC-1 or any intellectual property assignments for filing with the Patent and Trademark Office and the Copyright Office, as may be necessary or desirable, or as each Noteholder may reasonably request, in order to perfect and preserve such security interests.

8. **Governing Law; Jurisdiction.** This Guarantee and all of the rights and obligations of the parties hereunder shall be governed by, and construed and enforced in accordance with the laws of the State of New York without reference to the choice of law principles thereof.

9. **Termination of Guarantee.** Nothing except payment in full of all of the Obligations shall release the Guarantor from liability under this Guarantee. This Guarantee will be returned when all Obligations shall have been paid in full.

10. **Binding Effect; Assignment.** The provisions of this Guarantee shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Guarantor may not assign or otherwise transfer any of its rights hereunder. A Noteholder may at any time sell, assign, pledge, grant participation in or otherwise transfer its rights under this Guarantee in whole or in part.

11. **Effectiveness.** This Guarantee shall become effective when it shall have been received by all the Noteholder.

12. **Amendments and Waivers.** Any provision of this Guarantee may be amended or waived if such amendment is in writing and is signed by the Guarantor and the Noteholder effected by such waiver.

[Signature Page Follows]

IN WITNESS WHEREOF, the Guarantor has executed this Subsidiary Guarantee or has caused the same to be executed in its name, as of the day and year first above written.

IVIEWIT.COM, INC.

By: _____
Name:
Title:

Quinn, Roxane

From: Epstein, Alan
Sent: Wednesday, June 18, 2003 6:41 PM
To: 'iviewit@bellsouth.net'
Cc: Quinn, Roxane
Subject: RE: Files for iviewit
Sensitivity: Confidential

i looked through all of our emails which i was able to pull out of our archives and there was not much which would be helpful. if you'd like we can have everything copied, but i don't think there's much there. lemme know. aje

-----Original Message-----

From: Eliot I Bernstein [mailto:iviewit@bellsouth.net]
Sent: Thursday, May 22, 2003 7:53 AM
To: Alan J. Epstein (E-mail)
Cc: Michele M. Mulrooney (E-mail); P. Stephen Lamont (E-mail); Caroline Prochotska Rogers (E-mail)
Subject: Files for iviewit
Importance: High
Sensitivity: Confidential

Alan, can you get me those files promised a while ago, it is very important that I have copies of them to help rebuild the destroyed records. Computer and paper files would be great, thanks!!!



Dear ,

Eliot Bernstein

Eliot I Bernstein
 I View It Technologies, Inc.
 10158 Stonehenge Circle
 Suite 801
 Boynton Beach, FL 33437-3546
 561.364.4240
 iviewit@bellsouth.net

THIS MESSAGE AND ITS EMBEDDED FILES INCORPORATED HEREIN CONTAIN INFORMATION THAT IS PROPRIETARY AND CONFIDENTIAL PRIVILEGED INFORMATION. IF YOU ARE NOT THE INTENDED RECIPIENT, YOU ARE PROHIBITED FROM READING, OPENING, PRINTING, COPYING, FORWARDING, OR SAVING THIS MAIL AND IT'S ATTACHMENTS. PLEASE DELETE THE MESSAGE AND IT'S EMBEDDED FILES WITHOUT READING, OPENING, PRINTING, COPYING, FORWARDING, OR SAVING THEM, AND NOTIFY THE SENDER IMMEDIATELY AT 561.364.4240. IF YOU ARE THE INTENDED RECIPIENT, YOU ARE PROHIBITED FROM FORWARDING THEM OR OTHERWISE DISCLOSING THESE CONTENTS TO OTHERS, UNLESS EXPRESSLY DESIGNATED BY THE SENDER. THANK YOU!

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The Congress shall have Power: To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries:

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Version: 6.0.483 / Virus Database: 279 - Release Date: 5/19/2003

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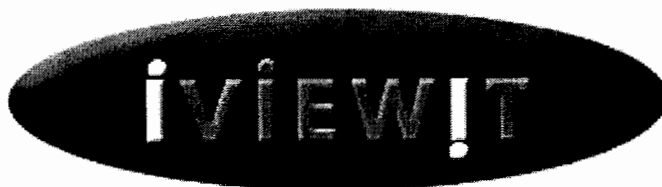
**3744-0016.0000
IVIEWIT.COM**

(138 - MMM)

Confidential Private Placement Memorandum Number: _____

Offeree: _____

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM



DRAFT

\$12 MILLION PREFERRED STOCK

November 2000

WACHOVIA SECURITIES, INC.

WACHOVIA

*to
iViewit
Business Plan*

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

This confidential memorandum (the "Memorandum") is being furnished by iviewit, Inc. ("iviewit" or the "Company") to a limited number of institutional investors for the purpose of facilitating the sale of up to \$12 million of Preferred Equity (the "Securities") of the Company. Wachovia Securities, Inc. ("WSI") is acting as placement agent of the Securities.

In connection with your possible interest in purchasing Securities (the "Transaction"), WSI is delivering this Memorandum and you will be receiving certain non-public information concerning the Company. **By accepting a copy of this Memorandum, you agree that (i) you will hold in confidence and not disclose Evaluation Material (as defined below) (or the fact that such Evaluation Material has been made available to you and that discussions or negotiations are taking place concerning the transaction or any of the terms, conditions or other facts with respect thereto) except (a) to your Representatives who require such information for the purposes of evaluating the Transaction and who have been informed of the confidential nature of the information provided (it being understood that such Representatives shall be directed by you to treat such information in accordance with the terms of this Agreement), (b) you may make any disclosure of such information to which the Company gives its prior written consent and (c) in the event that you are required by law or regulation or requested by any governmental agency or other regulatory authority (including any self-regulatory organization having or claiming to have jurisdiction) or in connection with any legal proceedings and (ii) you will notify us as soon as practical in the event of any such disclosure (other than as a result of an examination by any regulatory agency), unless such notification shall be prohibited by applicable law or legal process.** "Evaluation Material" means information about the Company or the Transaction furnished by WSI, the Company or the Company's Representatives to you, together with all analyses, compilations, forecasts, studies and other documents prepared by you incorporating or otherwise reflecting such information but does not include information which (a) was publicly known at the time of disclosure, (b) subsequently becomes publicly known through no act or omission by you or your Representatives or (c) otherwise is known or becomes known to you other than through disclosure by WSI, the Company or the Company's Representatives from a source that is not bound by a confidentiality agreement or other legal or contractual obligation of confidentiality with respect to the information; and "Representatives" means employees, officers, directors, agents, attorneys, accountants and professional advisors and consultants. **You further agree that you will not use Evaluation Material for any reason or purpose other than to evaluate a possible Transaction. You agree that, if you do not enter into the Transaction, on request of the Company you will, as soon as practical, destroy or return to it (without retaining any copies thereof) all Evaluation Material (other than analyses, compilations, forecasts, studies and other documents prepared by you incorporating or otherwise reflecting such information).**

While the information in this Memorandum was obtained or compiled from data furnished by the Company and publicly available information and is believed to be accurate in all material respects, no representation, express or implied, or warranty as to the accuracy or completeness of the information contained in this Memorandum is made by any party, and nothing contained herein is or shall be relied upon as a promise or representation as to the future.

The Securities are being offered as a private placement pursuant to an exemption from registration contained in Section 4(2) of the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder. All investors will be required to undertake that they will not resell the Securities except pursuant to an effective registration statement or an exemption from registration. The Securities may bear a legend to that effect. Any such sale must also comply with any applicable state securities requirements. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time.

The Securities have not been registered with, or recommended or approved by, the Securities and Exchange Commission or any other federal or state securities commission or regulatory authority, nor has the commission or any other federal or state securities commission or regulatory agency passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense. This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy in any state or other jurisdiction in which such offer or solicitation would be unlawful, or in which the person making such offer or solicitation is not qualified to do so, or to a person to whom it is unlawful to make such an offer or solicitation. The distribution of this Memorandum and the offer and sale of the Securities may be restricted by law in certain jurisdictions. Persons into whose possession this Memorandum or any of the Securities comes must inform themselves about, and observe, any such restrictions.

Statements in this Memorandum are made as of the date hereof unless stated otherwise and are subject to change, completion or amendment without notice. Neither the delivery of this Memorandum at any time, nor any sale hereunder, shall under any circumstances create an implication that no change in the information contained herein or in the affairs of the Company has occurred subsequent to the date hereof.

Prospective investors should not construe the contents of this Memorandum as legal, tax or investment advice. Neither the Company nor WSI is making any representation to any prospective investor regarding the legality of an investment in the Securities by such prospective investor. Each investor should consult its own counsel, accountant or business advisor as to legal, tax, business, financial and related matters concerning its investment.

In making an investment decision regarding the Securities offered hereby, prospective investors must rely on their own examination of the Company, including, without limitation, any registration statements, reports or other documents which are available to the public, and the terms of the offering, including, without limitation, the merits and risks involved. Representatives of the Company and WSI will be available to discuss with prospective investors, on request, the information contained herein.

This Memorandum may contain summaries, believed to be accurate, of certain terms of certain documents, but reference is made to the actual documents, copies of which will be made available upon request, for the complete information contained therein. All such summaries are qualified in their entirety by this reference.

The Company reserves the right to withdraw this offering of the Securities at any time, to reject any commitment to subscribe for the Securities in whole or in part and to allot to any prospective investors less than the full amount of the Securities subscribed for by such investor.

FORWARD-LOOKING INFORMATION

Certain information contained in this Memorandum that is not historical fact, including but not limited to pro forma financial statements and the notes thereto, and financial projections are "forward-looking statements" (as such term is defined in the Securities Act and the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In addition, from time to time, the Company or its representatives have made, or may make forward-looking statements, orally or in writing.

The Company cautions the reader that forward-looking statements involve prediction and no assurance can be given that results indicated in any forward-looking statements will be achieved. Various economic, competitive and other factors could cause actual results to differ materially from the Company's expectations.



WACHOVIA SECURITIES, INC.

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Charlotte, NC 28202
Fax: (704) 379 9025

Resurgens Plaza
945 East Paces Ferry Road, Suite 1200
946 Atlanta, GA 30326-1125
Fax: (404) 240-5121

John D. Deering
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EXHIBITS

A. A. DETAILED FINANCIAL MODEL

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I. EXECUTIVE SUMMARY

Transaction Overview

Wachovia Securities, Inc. (“WSI”) has been engaged by iviewit, Inc. (“iviewit” or the “Company”) as its exclusive agent to assist the Company in raising up to \$12 million in preferred equity capital to become a leading end-to-end solutions provider of video and imaging delivery over the Internet. The Company is a developer and provider of proprietary, leading-edge visual and audio enabling, processing technologies supporting rich media streaming and imaging over the Internet. The Company can process and encode (digitize and compress) virtually all types of audio and video media into a variety of Internet-enabled formats while also optimizing the content for distribution across a variety of bandwidths. Also, iviewit can store, host, and distribute encoded media content at its data centers or through multiple hosting partners.

iviewit is the first ~~and only~~ company to provide video streaming that delivers a rich video experience with virtually distortion-free, full screen capability at normal, TV-equivalent frame rates of 29.97 fps (frames per second). Similarly, iviewit is the first and only company to provide virtual imaging that preserves and delivers full image quality and detail of the original image - without distortion - not only during compression (up to 100:1), but also through high resolution zoom and magnification.

The Company’s revenue model is based primarily on encoding, serving, and licensing revenues. The Company commercialized its products in May 2000. Within a short period of time, iviewit has secured 17 customers – primarily in the entertainment, advertising, and hotel markets and many are high profile industry customers. The Company expects to recognize \$400,000 by year-end from these customers.

The Company has developed and launched the following three breakthrough video/audio streaming and image enhancement technologies that enable:

1. **full-screen, full-frame rate video** (including CD quality audio) at 150-300 Kbps, and at lesser bandwidths, a markedly improved video quality over current industry standards, as depicted below:

<u>Bandwidth Range</u>	<u>iviewit Frame Rate</u>	<u>Industry Standard Frame Rate</u>
28-56 Kbps	8-15 frames/sec.	4-8 frames/sec.
56-150 Kbps	15-30 fps	12-20 fps
150-300 Kbps	30 fps	12-24 fps

2. **full-screen, high definition pictures** that have “scan, pan and zoom, and virtual tour” capabilities at all bandwidths
3. **high fidelity, audio streams** at bandwidths as low as 56 Kbps and mono streams at bandwidths as low as 28.8 Kbps.

iviewit, located in Boca Raton, Florida, was formed in 1999 under the laws of the state of Delaware. Over the past year, iviewit has confirmed the efficacy and reliability of its technologies, initiated digital imaging production, established a demonstration website, developed an initial key management infrastructure, and hired an initial sales and production staff.

The Company continues to pursue an aggressive intellectual property strategy. iviewit has protected its enabling technologies by filing 6 patent pending applications in both the United States and abroad for its video streaming and imaging capabilities, covering a wide array of enabling technologies. The Company also has one remaining provisional patent pending application that will be converted to patent pending status within the allowable period. The Company has retained Foley & Lardner to shepherd its patent development and procurement.

In addition, the Company has retained Kenneth Rubenstein of Proskauer Rose, LLP to oversee its entire patent portfolio – Mr. Rubenstein is the head of the MPEG-2 patent pool.

iviewit has assembled a complementary and seasoned, management team with executive rank, Fortune 100 and early-stage, entrepreneurial experience. The Company has retained Korn Ferry to assist in the identification and recruitment of a high impact Chief Executive Officer (preferably from the media or entertainment industry) and Chief Financial Officer.

Since its June 1999 inception, the Company has raised over \$3 million of venture capital from Crossbow Ventures, Huizenga Holdings, and individual investors.

Technology Overview

iviewit’s suite of video and imaging technology processes work across all industry platforms.

Imaging:

iviewit’s imaging process is an enabling technology that creates an unparalleled, content-rich, viewing experience. Significant advantages of iviewit’s imaging process include the following:

- Photo-quality Internet images
- Resistance to pixelation even at 30+:1 (note: depending upon the material and the desired magnification)
- Full-screen and panoramic viewing up to 360°
- Consistent quality regardless of the end-user’s Internet connection
- File sizes of 30Kb to 700 Kb for full panorama

Video:

The Company’s video technologies allow high quality video streaming in the 150-300 Kbps range, providing better product and price performance for the product delivered and a significantly improved results in the 28-150 Kbps range. Below is a chart comparing iviewit’s video capability to current industry levels:

<u>Bandwidth Range</u>	<u>iviewit Frame Rate</u>	<u>Industry Standard Frame Rate</u>
28-56 Kbps	8-15 frames/sec.	4-8 frames/sec.
56-150 Kbps	15-30 fps	12-20 fps
150-300 Kbps	30 fps	12-24 fps

The iviewit video technology is a highly scalable process costing approximately \$1.50/min of encoded video. The resulting files are ~25% less than comparable files. iviewit’s 220Kbps streams are equivalent to competition 300Kbps streams.

Business Strategy

iviewit intends to serve as an end-to-end applications solutions provider incorporating iviewit’s proprietary imaging and or video technologies as well as a full-service image and video encoding, hosting and serving provider. iviewit licenses its imaging solutions to B2B and B2C clients in the auction, collectibles, and retail space with subsequent marketing into the healthcare and medical markets. iviewit is also structuring OEM and re-seller relationships to bundle the imaging software and processes with existing hardware including: digital cameras, scanners and PCs. iviewit is structuring video license deals with major content and broadband access providers to incorporate the iviewit process into video encoding solutions for direct internet streaming, HD-DVD, TV, cable, DSL, set-top box, and PDA video delivery.

iviewit is a “process technology” with pending patents focused on efficiency equations, and many of the applications for this technology are just now being recognized. Significant effort by iviewit in the development of research to improve and expand its processes and new uses for the efficiency equation are being now extensively explored in collaboration with others.

The Company expects the industry to move toward improvements in pre-encoding, toward the development of internal efficiencies for encoding and codec formats, and toward new advances in broadband delivery in the future. iviewit will focus upon collaborative strategic relationships in research and marketing channels to continue to position and protect its intellectual properties.

As the industry discovers new applications, as "hot technology segments" appear and as competitors emerge in each space, iviewit will emphasize its role as an innovator and deliverer of solutions to the marketplace with focus upon improving the performance and cost characteristics of its business environment. For small entities that develop competitive technologies that become a "hot spot", iviewit may either acquire the technology or possibly acquire the competition. For larger companies that provide a new competitive technology or "hot spot" in iviewit's product and marketing space, collaborations, strategic alliances and licensing are traditional tools.

The Company's current revenue model includes the following features:

- service and licensing products,
- charge per minute of processing of video with guaranteed volume of minutes,
- charge hosting and serving and archiving on a GB basis, and
- turnkey suite for digital imaging.

iviewit plans to leverage its imaging and video technologies into three primary markets: Entertainment, E-commerce, Distance Learning/E-Learning. For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues, etc., iviewit's technologies means that video streaming can finally become a revenue source. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content.

The Company has a three-pronged strategy for penetrating its initial target market segments. The first is to target high-profile content owners and distributors as clients to process video, and images, market iviewit's proprietary distance learning solutions and to brand those images those images and video with the iviewit's logo. The second is to partner with industry leaders to co-market iviewit's service and license offerings. Third is to brand with famous celebrities and, entertainers, and leading destination sites interested in bringing marquee events to the Internet. Initial target market segments include the following:

- | | |
|---------------------------------|--------------------------|
| - Advertising | - Luxury Items |
| - Distance Learning/E-Learning | - Auction & Collectibles |
| - Entertainment: Film and Music | - Sports |
| - Health Care | - Modeling |
| - Hotel and Resorts | |

The Company expects to expand to a total of 6 Sales Directors by the end of Q1 2000. Revenue quota per Sales Director will be \$500,000 minimum annually. The Company plans to establish regional sales offices beginning with Los Angeles, New York, and Chicago.

Customers

Within a short period of time, the Company has been very successful in obtaining customers in its target market segments. Since launching the product in May 2000, the Company has experienced a 75% success rate in obtaining service and licensing customers, securing 17 customers to date. The Company expects to recognize \$400,000 by year-end from these 17 customers. Current clients include the following:

Hollywood.com	Dovebid/DSI
Hyatt Hotels & Resorts	Broadway.com
Gear Magazine (Guccione Media)	Z.com (Alanis Morissette)
Ellen DeGeneres	Virtual Education
Burst.com	Extreme Yachts

In addition, the Company has continued to develop an active pipeline of high impact, service and licensing client prospects. In fact, based on its current level of discussions, the Company believes that the following prospects have a high probability for closing by the end of 2000:

Warner Brothers	Universal Studios
Greg Manning Auctions / Collectibles	SDI-Media
MTV/Viacom	Broadband Services
	Wackenhut / Oasis

Currently, the Company is in negotiations with several large, video-content providers regarding licensing its video streaming technologies. iviewit is moving aggressively towards executing two or three landmark licensing agreements in order to facilitate the broader market adoption of its video streaming technology as the industry standard. As the Company continues these negotiations, it anticipates honing its pricing strategy for other comparable, large-content providers.

Recent developments include the following:

- iviewit has partnered with the “model program” (State of Iowa AEA model) for development of distance learning on a national basis. The Company is now collaborating with larger groups that represent applications for the federal government (i.e. Department of Defense, Department of Education) and with groups that represent similar programs in other countries such as Malaysia and South Korea.
- The Company is finalizing a major business alliance with one of the largest content providers in the entertainment industry, not just for Internet applications, but for many other uses as well. iviewit’s technology will not only be used for archival and on demand applications, but for “efficiencies in other disciplines” where cost and performance features are prominent measures. For example, in the delivery of content to broadcasting, pre-encoding preprocessing improvements will dictate cost and quality.
- Recently, iviewit and Eastman Kodak began a series of discussions that are now formative, and an agreement could provide significant revenue as early as summer 2001. The applications for Kodak would follow a logical path to create a value added option that would initially be available on its “high end” digital cameras, and then be led downstream to the broad and sizeable moderately priced digital camera lines.

Management

Whereas the Company has retained Korn Ferry to assist in the identification and recruitment of a high impact Chief Executive Officer (preferably from the media or entertainment industry) and Chief Financial Officer, iVIEWIT has assembled a complementary and seasoned, management team with Fortune 100 and early-stage, entrepreneurial experience. This team consists of the following personnel:

Brian G. Utley, President (67) — For over 30 years, Mr. Utley was responsible for the development and world-wide management of many of IBM's most successful products such as the AS400 and the PC. His career with IBM culminated with his responsibility as Vice President and General Manager of IBM Boca Raton with a work force of over 6,000 professionals. He is a graduate of San Francisco City College.

Eliot I. Bernstein, Founder and Vice Chairman (37) — Prior to founding iVIEWIT, Mr. Bernstein spent 15 years with SB Lexington where he was President of the West Coast Division creating and developing many innovative, computer-based multi-media marketing tools which remain in use supporting multi-billion dollar service industries. Mr. Bernstein is a graduate of the University of Wisconsin.

Michael A. Reale, VP of Operations (60) — Mr. Reale has over 20 years of operations experience, including P&L, quality, and delivery performance accountability. Most recently, Mr. Reale was the Chief Operating Officer for Boca Research (Nasdaq:BOCI), a manufacturer of personal computer enhancement and Internet thin client products. Mr. Reale received his BA and MBA from Pace University.

Raymond T. Hersh, Chief Financial Officer (Interim) — Mr. Hersh has over 35 years of successful business and operating experience involving financial services, telecommunications, manufacturing, and corporate strategic planning. Most recently, Mr. Hersh was co-founder and President/CEO of New Medical Concepts, Inc., a telecom start-up specializing in providing healthcare information. Earlier, he spent five years as an Enforcement Attorney with the U. S. Securities and Exchange Commission in New York City where he exited as a Branch Chief. He is a member of the New Jersey and New York Bars. Mr. Hersh received his BA from Lafayette College and his LLB/JD from the University of Pennsylvania.

James F. Armstrong, VP of Sales and Marketing (37) — Previously and for 18 years, Mr. Armstrong owned and operated The Armstrong Group, Ltd., a financial planning, insurance consulting and sales firm serving corporate executives and high net-worth individuals. For four years, he built and supervised a national network of planning and sales specialists for Prudential Securities. Mr. Armstrong is a graduate of Northwestern University with a major in Economics and Business and also received a Certified Investment Management Analyst degree from the Wharton School.

Kevin J. Lockwood, Vice President, Sales and Business Development (40) — Mr. Lockwood joins iVIEWIT from Cylex Systems where he held the position of Executive Vice President of Sales and assisted in securing three rounds of funding exceeding \$20 million. He is a graduate of the University of Maryland with a Bachelor of Science degree in Business Administration.

Strategic Alliances

iVIEWIT is creating a stable of strategic partners in the areas of technology, R&D, applications development, and video hosting and delivery. The Company has partnered with key industry leaders to develop precedence in the market. Partners include Greg Manning Auctions, Atlas Entertainment, Medical Online, Digital Island, Burst.com, and Versifi.

**Financial
Highlights**

The Company plans to initially focus on building a precedence through encoding services using its proprietary technology and through licensing its application to industry leaders. As customer acceptance and penetration continue to grow, serving and archiving revenues will begin to sharply rise. The Company expects video-related revenue to represent 60-70% of the total revenue.

iviewit anticipates reaching break-even in approximately 18 months. The revenue projections are as follows:

**Figure 1
Projected Revenues**

Video	Year 1	Year2	Year3
Encoding	\$564,435	\$5,305,221	\$14,202,070
Archival	\$98,465	\$1,189,155	\$4,851,618
Hosting	\$19,913	\$215,011	\$729,939
Serving	\$302,115	\$4,343,611	\$19,594,573
Master Licensing	\$675,000	\$3,431,250	\$3,993,750
Web Design & Consulting	\$113,100	\$480,600	\$458,400
Video Total by Year	\$1,659,929	\$14,484,248	\$43,371,950
Imaging			
Annual License Fee Revenue	\$21,000	\$150,500	\$323,500
Setup Fee Revenue	\$60,000	\$147,000	\$84,000
Hotel & Resort Packages Revenue	\$85,800	\$343,200	\$202,800
Image Processing Revenue	\$576,387	\$3,102,735	\$5,811,171
Master License Revenue	\$787,500	\$3,178,125	\$3,965,625
Hosting Revenue	\$22,775	\$180,002	\$516,868
Serving Revenue	\$232,529	\$2,290,568	\$7,860,524
Hosting & Serving Revenue for Hotels & Resorts	\$9,387	\$65,709	\$132,759
Archival	\$45,942	\$372,823	\$1,089,549
Web Design & Consulting	\$138,000	\$462,000	\$472,200
Imaging Total by Year	\$1,979,320	\$10,292,662	\$20,458,996
Grand Total by Year	\$3,639,248	\$24,776,909	\$63,830,946

Figure 2
Projected Total Revenue Breakdown

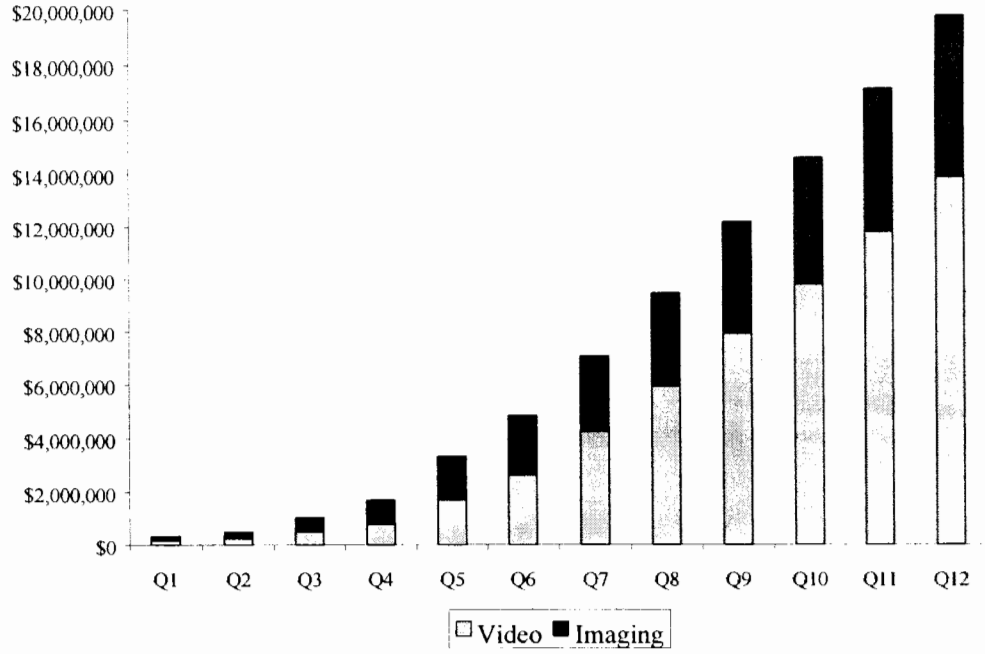


Figure 3
Projected Income Statement

	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>
REVENUE	\$ 3,639,248	\$ 24,776,909	\$ 63,830,946
COST OF GOODS SOLD	<u>2,057,453</u>	<u>6,617,445</u>	<u>13,192,434</u>
GROSS PROFIT	<u>1,581,796</u>	<u>18,159,464</u>	<u>50,638,512</u>
OPERATING EXPENSES:			
SELLING, GENERAL, & ADMINISTRATIVE	9,861,781	13,870,983	24,790,101
RESEARCH AND DEVELOPMENT	<u>776,326</u>	<u>1,705,086</u>	<u>2,686,204</u>
TOTAL OPERATING EXPENSES	<u>10,638,107</u>	<u>15,576,069</u>	<u>27,476,305</u>
OPERATING PROFIT (LOSS)	(9,056,311)	2,583,395	23,162,207
NET INCOME (LOSS)	<u>\$ (9,157,644)</u>	<u>\$ 2,364,062</u>	<u>\$ 16,378,757</u>
EARNINGS BEFORE INCOME TAXES, DEPRECIATION AND AMORTIZATION	<u>\$ (8,860,499)</u>	<u>\$ 3,871,945</u>	<u>\$ 26,610,280</u>

Use of Proceeds To execute its strategy, the Company will use the proceeds of this offering as shown below:

Figure 4
Use of Proceeds

Use of Proceeds

Sales and Marketing	\$13,400,000
Expand Production Capabilities	\$3,800,000
Research and Development	\$2,800,000
General Corporate Purposes	\$3,250,000
Working Capital	<u>\$1,750,000</u>
	\$25,000,000

**Assumes a 16-18 month period*

II. INVESTMENT HIGHLIGHTS

- ◆ ***Unique processing technology for video and imaging***

iviewit's patent pending processing technologies can create high-definition images with "scan, pan, and zoom" capabilities, high-fidelity audio streams, and full-screen, full-frame rate video for streaming over the Internet. The iviewit video technology is a highly scalable process. The resulting files are approximately 25% less than comparable files. iviewit 220Kbps streams are equivalent to competition 300Kbps streams. The Company's imaging process delivers images that are photo-quality, resistant to pixelation even at magnification levels of 30+:1. Images produced by iviewit's proprietary process are identical in quality regardless of the end-user's Internet connection speed. File size options are tailored to minimize download times and optimize the end-user's experience.

- ◆ ***Complementary and Seasoned Fortune 100 and Entrepreneurial Management Team***

iviewit has assembled a complementary and seasoned management team with Fortune 100 and early-stage, entrepreneurial experience. Management consists of former IBM operations executives who have experience in building video delivery capabilities and of marketing talent from successful venture-backed technology companies. The Company recognizes its strength in operations and product development and recognizes the need to attract a capable, experienced CEO, CFO, and CTO to accelerate the Company's development. iviewit has retained Korn Ferry to assist in the identification and recruitment of this talent.

- ◆ ***Strong and Experienced Board of Directors and Advisory Board***

iviewit's Board of Directors and Advisory Board consists of several well-established individuals from the technology, entertainment, and financial community. Directors have extensive backgrounds with top-tier firms such as Goldman Sachs, Kidder Peabody, and McKinsey & Co. Crossbow Ventures has invested \$1.8 million and sits on the Board. Technology and entertainment guidance comes from a partner at Armstrong Hirsch Jackoway & Wertheimer and from Kenneth Rubenstein, the head of the MPEG-2 patent pool.

- ◆ ***Significant Intellectual Property Position and Strategy***

iviewit has protected its enabling technologies by filing 6 patent pending applications in both the United States and abroad for its video streaming and imaging capabilities, covering a wide array of enabling technologies. The Company also has one remaining provisional patent pending application that will be converted to patent pending status within the allowable period. The Company has retained Foley & Lardner to shepherd its patent development and procurement. In addition, the Company has retained Kenneth Rubenstein of Proskauer Rose, LLP to oversee its entire patent portfolio. The Company's strategy is to establish market precedence through licensing of trade secrets and know-how.

- ◆ ***Substantial Market Penetration and Growing Customer Acceptance***

The Company commercialized its products in May 2000. In just 5 months, iviewit has experienced a 75% success rate in obtaining service and licensing customers, securing 17 customers to date – primarily in the entertainment, advertising, and hotel markets. The Company expects to recognize \$400,000 by year-end from these customers. High profile customers include Ellen DeGeneres, Z.com (Alanis Morissette), Hyatt Hotels, Gear Magazine, and Hollywood.com. Highly probable for closing by year-end 2000 include Warner Brothers, Universal Studios, and Greg Manning Collectibles.

- ◆ ***Focused on Media Rich Target Markets – Unlocking the Value of Content***

The Company's business strategy is to first target high-profile content owners and distributors as clients to process video and images and to brand those images with iviewit's logo. Secondly, iviewit plans to co-brand with famous celebrities and

entertainers interested in bringing marquee events to the Internet. These initial target markets represent an enormous collection of video and image assets that are ripe for monetization. For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues, etc., iviewit's technologies means that video streaming can finally become a revenue source. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content.

◆ ***Broadband Promotes Greater Multimedia Supply and Demand***

The transmission of data intensive content over the Internet has been limited due to both technological and bandwidth constraints. However, the increasing availability of improved delivery systems, such as digital cable modems, T1 lines, satellite delivery systems and DSL networks are enabling the use of more feature-rich multimedia content. Even at these higher bandwidth speeds video quality remained poor. iviewit developed processes allowed users at these speeds to receive TV quality video streaming.

◆ ***Opportunities to Capture the True Value of E-Commerce***

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies. iviewit's suite of technologies will positively affect and benefit all of these parties. For B2B e-commerce sites, iviewit's technologies will provide an affordable solution to enhance the promotion of their products and services. By digitizing already produced video commercials, infomercials, product announcements and product manuals through iviewit's proprietary system, business e-commerce sites can leverage their video and image investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality visual experiences.

◆ ***Platform for Pay-Per-View via the Internet***

Extensions of the current technologies are planned to provide similar improvements in IP based videoconferencing. Early testing has validated the feasibility of these extensions and funding will provide the resource necessary to complete the development work. It is estimated that products could be ready to market within 6-9 months from funding.

IP based distribution over TV networks is expected to become widespread over the next few years, driven by set top boxes, wireless distribution and TV integrated interfaces. Using a TV this way further enhances the quality of the video since a TV set is optimized for displaying video images. This paves the way for a new era in On Demand Pay-Per-View distribution due to the increased bandwidth efficiencies of IP based distribution.

III. INDICATIVE TERMS AND CONDITIONS

\$12 Million Preferred Stock

Issuer:	iviewit, Inc. (the "Company").
Securities:	Convertible Preferred Stock of the Company (the "Preferred Stock"), which, on an as-if-converted to common stock basis, represents ___ % of the fully-diluted ownership of the Company.
Amount of Financing:	Up to \$12 million
Placement Agent:	Wachovia Securities, Inc. ("WSI").
Investor(s):	Institutional "accredited investors" within the meaning of Rule 501 of Regulation D and "qualified institutional buyers" within the meaning of Rule 144A as promulgated under the Securities Act of 1933, to be arranged by WSI.
Use of Proceeds:	Growth capital and general corporate purposes.
Closing Date:	The date of completion of legal documentation and funding, which shall occur as soon as is practicable.
Accrued Dividends:	___ % per annum. The dividends will be cumulative and will be payable semi-annually payable-in-kind.
Conversion:	Each share of the Preferred Stock shall be convertible at any time, at the option of the holder. If a majority of the holders elect to convert into Common Stock, then the Company will have the right to convert all the shares into Common Stock.
Liquidation Preference:	In the event of any liquidation, sale, merger, consolidation or winding up of the Company, the Preferred Stock holders shall be entitled to receive, in preference to the holders of the Common Stock, a per share amount equal to the Purchase Price plus declared but unpaid dividends on such shares (the "Liquidation Preference"). After the payment of the Liquidation Preference to the holders of the Preferred Stock, the remaining assets shall be distributed ratably to the holders of the Preferred and Common Stock on an as-if-converted basis.
Voting Rights:	The holders of the Preferred Stock shall be entitled to vote, on an "as converted" basis, on all matters to be voted on by stockholders of the Company.
Mandatory Conversion:	After the third anniversary of issuance, if the Company has successfully completed a qualified IPO, the Company will have the right to force conversion of the Preferred Stock if the closing price for the Common Stock averages at least 200% of the Conversion Price for 90 consecutive days.
Liquidity Rights:	On the later of 7 years after issuance of the Preferred Stock (the "Liquidity Exercise Date"), at the election of a majority of the holders of Preferred Stock, the Company will be required to redeem for cash all of the Preferred Stock. If there has been no IPO, the redemption price shall be the higher of the fair market value on an as converted basis or the Liquidation Preference. If there has been a qualified IPO, the redemption price shall be the Liquidation

Preference. No later than 30 days after the Liquidity Exercise Date, the Company will notify all holders of Preferred Stock that they may elect to redeem shares and shall provide such holders 60 days after such notice to make their election.

Registration Rights:

The holders of the Preferred Stock shall have the right to demand one long-form registration and unlimited piggyback registration rights with respect to the Preferred Stock and the Common Stock issued or issuable upon conversion of the Preferred Stock.

Board of Directors:

The holders of the Preferred Stock shall have the right to designate ___ members to the Board of Directors.

Representation and Warranties:

Usual and customary for investments of this type and size.

Covenants:

Financial Information: The Company will provide to any holder of Preferred Stock: quarterly and annual consolidated financial statements.

Inspection Rights: The Company will permit any Preferred Stock holder and its representatives to visit and inspect any of the properties of the Company or any subsidiary, to examine and duplicate their books and records and to discuss their affairs and finances with their respective officers, managers and independent public accountants, all at reasonable times and with reasonable notice.

Other Affirmative Covenants: (i) Maintenance of corporate existence, licenses and permits; (ii) Maintenance of insurance; (iii) Payment of taxes, assessments, government charges and levies, trade accounts, claims for work, labor or materials; (iv) Maintenance of properties; (v) Continuation of nature of business; (vi) Compliance with laws, rules and regulations; and (vii) Arms-length transactions with affiliates.

IV. COMPANY DESCRIPTION

Company Overview

The Company is a developer and provider of proprietary, leading-edge visual and audio enabling technologies supporting rich media streaming and imaging over the Internet. The Company can process and encode (digitize and compress) virtually all types of audio and video media into a variety of Internet-enabled formats while also optimizing the content for distribution across a variety of bandwidths. iviewit can store, host, and distribute encoded media content at their data centers or through multiple hosting partners.

The Company has developed and launched three breakthrough video/audio streaming and image enhancement technologies that enable:

1. **full-screen, full-frame rate video** (including CD quality audio) at 150-300 Kbps, and at lesser bandwidths, a markedly improved video quality over current industry standards, as depicted below:

<u>Bandwidth Range</u>	<u>iviewit Frame Rate</u>	<u>Industry Standard Frame Rate</u>
28-56 Kbps	8-15 frames/sec.	4-8 frames/sec.
56-150 Kbps	15-30 fps	12-20 fps
150-300 Kbps	30 fps	12-24 fps

2. **full-screen, high definition pictures** that have “scan, pan and zoom, and virtual tour” capabilities at all bandwidths
3. **high fidelity, audio streams** at bandwidths as low as 56 Kbps and mono streams at bandwidths as low as 28.8 Kbps.

iviewit, located in Boca Raton, Florida, was formed in 1999 under the laws of the state of Delaware. Over the past year, iviewit has confirmed the efficacy and reliability of its technologies, initiated digital imaging production, established a demonstration website, developed an initial key management infrastructure, and hired an initial sales and production staff. The Company commercialized its products in May 2000 and has secured several high profile customers that have confirmed the commercial value of iviewit’s technologies.

Technology and IP Position

iviewit’s suite of video and imaging technology processes work across all industry platforms.

Imaging:

iviewit’s imaging process is an enabling technology that creates an unparalleled, content-rich, viewing experience. Significant advantages of the Company’s imaging process include the following:

- Photo-quality Internet images
- Resistance to pixelation even at magnification levels up to 30+:1 (note: depending upon the material and the desired magnification)
- Full-screen and panoramic viewing up to 360°
- Consistent quality regardless of the end-user’s Internet connection
- File sizes of 30Kb to 700 Kb for full panorama

Video:

The Company’s video technologies allow high quality video streaming in the 150-300 Kbps range, providing better product and price performance for the product delivered and a significantly improved result at the 28-150 Kbps ranges. Below is a chart comparing iviewit’s video capability to current industry levels:

**Figure 5
Video Comparison Chart**

Video Parameters	Industry Practice	Iviewit Product
Picture size / Frame rate		
28-56 Kbps	160x120 / 4-8 fps	240x180 / 8-15 fps
56-150 Kbps	240x180 / 12-20 fps	320x240 / 15-30 fps
150-300 Kbps	320x240 / 12-24 fps	320x240 / 30 fps
Motion artifacts	Severe to Fair	Fair to Good
Brightness	Low to Medium Contrast	Medium to High Contrast
Color	Fair to Good Fidelity	Fair to Good Fidelity
Audio quality		
Mono	Fair to Good	Good
Stereo	Fair	Good to Very Good
Audio sync	Fair to Good	Good to Very Good
File size	Standard	Up to 10% Reduction

Additional information describing the technology is available upon execution of a Non-Disclosure Agreement.

Intellectual Property:

iviewit has protected its enabling technologies by filing six patent pending applications in both the United States and abroad for its video streaming and imaging capabilities, covering a wide array of enabling technologies. The Company also has one remaining provisional patent pending application that will be converted to patent pending status within the allowable period. These technologies carry broad claims, where patent searches on several key components have revealed no apparent prior art or conflicting technologies. The patent milestones are as follows:

**Figure 6
Patent Milestones**

March 1999	First provisional imaging filing
June 1999	First provisional video filing
August – December 1999	10 additional provisional filings
March 2000	1 st non-provisional imaging filing
June 2000	4 non-provisional video filings
August 2000	1 non-provisional imaging filing
TBD	1 non-provisional imaging filing

The Company has retained Foley & Lardner to shepherd its patent development and procurement. In addition, the Company has retained Kenneth Rubenstein of Proskauer Rose LLP to oversee its entire patent portfolio – Mr. Rubenstein is the head of the MPEG-2 patent pool. The Company intends to aggressively implement a continuing R&D effort upon

funding in order to expand the intellectual property base and develop additional revenue opportunities.

Technology Development:

iviewit's goal is to maintain a leadership role in visual technologies and continued research and development will be deployed to this end. iviewit's product output will stress user friendliness, superior picture quality and effective presentation for the experience by the end user. New markets will include hardware and software applications that will embrace these platform technologies.

Extensions of the current technologies are planned to provide similar improvements in IP based videoconferencing. Early testing has validated the feasibility of these extensions and funding will provide the resource necessary to complete the development work. It is estimated that products could be ready to market within 6-9 months from funding.

IP based distribution over TV networks is expected to become widespread over the next few years, driven by set top boxes, wireless distribution and TV integrated interfaces. Using a TV this way further enhances the quality of the video since a TV set is optimized for displaying video images. This paves the way for a new era in On Demand Pay-Per-View distribution due to the increased bandwidth efficiencies of IP based distribution.

R&D efforts will also be heavily influenced by iviewit's focus on providing end-to-end solutions for its customers in new and emerging applications. One such application is the field of On Demand Distance Learning.

Achieved Milestones

Since its inception in March 1999, iviewit has successfully raised over \$3 million in seed capital, launched its products, and developed a compelling IP position. Below are the key milestones the Company has achieved.

**Figure 7
Company Achieved Milestones**

- | | |
|-----------------------|--|
| March 1999 | <ul style="list-style-type: none"> ▪ Filed 1st provisional patent ▪ Confirmed feasibility of full-screen, full-frame rate video |
| May 1999 | <ul style="list-style-type: none"> ▪ Real3D technology audit |
| June 1999 | <ul style="list-style-type: none"> ▪ Incorporated iviewit and raised seed capital |
| August 1999 | <ul style="list-style-type: none"> ▪ Hired President |
| September 1999 | <ul style="list-style-type: none"> ▪ Launched website ▪ Raised \$500M from Huizenga Holdings |
| February 2000 | <ul style="list-style-type: none"> ▪ Raised \$1MM from Crossbow/Alpine Ventures |
| March 2000 | <ul style="list-style-type: none"> ▪ Filed 1st Non-Provisional international patent |
| May 2000 | <ul style="list-style-type: none"> ▪ Secured 1st customer: Hollywood.com ▪ Hired VP of Operations |
| June 2000 | <ul style="list-style-type: none"> ▪ Launched imaging and video products at ShowBiz in Los Angeles |

Customers

Within a short period of time, the Company has been very successful in obtaining customers in its target market segments. Since launching the product in May 2000, the Company has experienced a 75% success rate in obtaining service and licensing customers, securing 17 customers to date. Current clients include the following:

Hollywood.com	Dovebid/DSI
Hyatt Hotels & Resorts	Broadway.com
Gear Magazine (Guccione Media)	Z.com (Alanis Morissette)
Ellen DeGeneres	Virtual Education
Burst.com	Extreme Yachts

In addition, the Company has continued to develop an active pipeline of high impact, service and licensing client prospects. In fact, based on its current level of discussions, the Company believes that the following prospects have a high probability for closing by the end of 2000:

Warner Brothers	Universal Studios
Greg Manning Collectibles	SDI-Media
MTV/Viacom	Dovebid/DSI
Broadband Services Corp.	Versifi
	Wackenhut/Oasis

Currently, the Company is in negotiations with several large, video-content providers regarding licensing its video streaming technologies and is moving aggressively towards executing two or three landmark licensing agreements in order to facilitate the broader market adoption of its video streaming technology as the industry standard. As the Company continues these negotiations, it anticipates honing its pricing strategy for other comparable, large-content providers.

Below is a list of the current customers:

Figure 8
iviewit Customer List

<u>Clients</u>	<u>Projected</u>		
	<u>2000</u> <u>TOTAL</u>	<u>2001</u> <u>TOTAL</u>	<u>2002</u> <u>TOTAL</u>
Hyatt	\$13,000	\$110,000	\$160,000
Hollywood.com/Broadway.com	\$34,000	\$141,715	\$293,861
Gear Magazine	\$95,000	\$160,000	\$160,000
Kis-met(Great Expectations)	\$5,250	\$10,736	\$22,262
Lovemate	\$3,250	\$10,736	\$22,262
DemoReel.TV	\$6,000	\$35,520	\$88,379
Medical Online	\$0	\$50,000	\$35,000
American Enterprise	\$7,500	\$32,208	\$66,787
JM Lexus	\$4,100	\$12,883	\$26,715
Boca Developers	\$5,000	\$22,500	\$48,312
Boca Resort	\$2,000	\$4,000	\$10,000
Kidscamps	\$2,000	\$13,000	\$34,892
KoKo	\$2,000	\$4,000	\$8,000
Z.com	\$120,000	\$120,000	\$120,000
Virtual Education	\$10,000	\$121,875	\$326,106
IMTS	\$5,000	\$10,000	\$10,000
	<u>\$314,100</u>	<u>\$859,173</u>	<u>\$1,432,575</u>

Additional opportunities have arisen within E-commerce, Education/ Distance learning; and Entertainment.

1. **Broadband Services:** Upwards of 300 distance learning courses targeted to the National Guard: Expected Revenue: \$25,000 to \$50,000 per course. (Total revenue opportunity \$1 Million to \$3 Million dollars through 2001. Three other DOD RFP's with monies totaling over \$700MM for distance learning. iviewit projects securing 1% to 2% of total dollars allocated for iviewit's services.
2. **Iowa:** Distance learning for AEA in Cedar Rapids, Iowa. \$50,000 allocated for digitizing up to 6000 video clips. Three other projects under review.
3. **Wackenhut/Oasis:** iviewit to be used for online sales training, HR and Benefits education applications. Huge cost savings to Wackenhut/Oasis leveraging sales training over the web. They also have over 1000 customers to resell the iviewit solution. Meeting set for 10/27/00 for proposal.
4. **Kodak:** Interested in bundling our software for their high-end digital camera to be shipped out mid next year. Projected volumes: 300,000 to 500,000 units. Revenue estimated \$500,000 + in 2001.
5. **Burst:** 500 plus hours of video content to be encoded immediately. Proposal to be finalized 10/25/00 in New York. Revenue estimated at \$150,000 to \$250,000.

Business Strategy

iviewit will serve as both an end-to-end applications solutions provider incorporating iviewit's proprietary imaging and or video technologies as well as a full-service image and video encoding, hosting and serving provider. iviewit is licensing its imaging solutions to B2B and B2C clients in the auction, collectibles, and retail space with subsequent marketing into the healthcare and medical markets. iviewit is also structuring OEM and re-seller relationships to bundle the imaging software and processes with existing hardware including: digital cameras, scanners and PCs. iviewit is structuring video license deals with major content and broadband access providers to incorporate the iviewit process into video encoding solutions for direct internet streaming, HD-DVD, TV, cable, DSL, set-top box, and PDA video delivery.

The encoding procedure itself and the evolution recently of many "encoding farms" is not a solution, but simply a function of immediate demand. Going forward, significant emphasis will be focused upon the steps that occur before encoding (i.e. pre-processing for both internet and broadcasting), the enhancement of existing MPEG 2 format, and variations of MPEG-4 to improve it. Because iviewit is a "process technology" with pending patents focused on efficiency equations, the many applications for this technology are just now being recognized. Improvements in all three areas cited above will become a core area for new technology in the future. Significant effort by iviewit in the development of research to improve and expand its processes and new uses for the efficiency equation are being now extensively explored in collaboration with others. The Company expects many further patents, improvements in existing pending patents, and a broad "protective shield" for many new and future applications will be a focus for the Company. The industry will move toward improvements pre-encoding, the development of internal efficiencies for encoding and codec formats, and new advances in broadband delivery in the future. iviewit will focus upon collaborative strategic relationships in research and marketing channels to continue to position and protect its intellectual properties.

As the industry discovers new applications, as "hot technology segments" appear and as competitors emerge in each space, iviewit will emphasize its role as an innovator and deliverer of solutions to the marketplace with focus upon improving the performance and cost characteristics of its business environment. For small entities that develop competitive technologies that become a "hot spot", iviewit may either acquire the technology or possibly acquire the competition. For larger companies that provide a new competitive technology or "hot spot" in iviewit's product and marketing space, collaborations, strategic alliances and licensing are traditional tools.

iviewit will continue to aggressively develop its technologies, applications and its patent pool and forge strategic R&D relationships to help ensure its position as a leading provider of visual solutions. Strategic investments and acquisitions are also anticipated.

The Company's revenue model includes the following features:

- offer service and licensing products,
- charge per minute of processing of video with guaranteed volume of minutes,
- charge hosting and serving and archiving on a GB basis, and
- turnkey suite for digital imaging.

The Company has a three-pronged strategy for penetrating its initial target market segments. The first is to target high-profile content owners and distributors as clients to process video, and images, market iviewit's proprietary distance learning solutions and to brand those images those images and video with the iviewit's logo. The second is to partner with industry leaders to co-market iviewit's service and license offerings. Third is to brand with famous celebrities and, entertainers, and leading destination sites interested in bringing marquee events to the Internet. Initial target market segments include the following:

- Advertising
- Distance Learning/E-Learning
- Entertainment: Film and Music
- Health Care
- Hotel and Resorts
- Luxury Items
- Auction & Collectibles
- Sports
- Modeling

1. E-Learning/Distance Learning:

To validate iviewit's business model and the efficacy of its core technologies, the distance learning market was chosen as the first and major entry point to position the Company. Distance learning and e-learning are already receiving large governmental grants, funding and are significant budget entries for international, national and state/local educational programs. Next to healthcare, the projected spending for this area of education is expected to grow more than any other budgeting level. iviewit has partnered with the "model program" (State of Iowa AEA model) for development of distance learning on a national basis. The Company is now collaborating with larger groups that represent applications for the federal government (i.e. Department of Defense, Department of Education) and with groups that represent similar programs in other countries such as Malaysia and South Korea. This has now led to the following new revenue generating projects for iviewit over the next 3 to 18 months:

- **The state of Iowa** has chosen iviewit for the development of the "Iowa Model" for interactive distance learning in the Iowa school system, and this opportunity represents approximately 14,000 existing and potential video learning titles that are now currently being used via mail. iviewit is expecting to receive grants for the first model programs for distance learning for the Internet for use of up to 1 million students that are a part of the Iowa program. During the next month, approximately \$50,000 is expected from Iowa for use of iviewit's technology, which would be the "fulcrum" for future projects. The Company's imaging and streaming technology would be the protocol employed by Iowa in its school system for distance learning and vocational training. The state of Iowa expects a rollout to other AEA districts in 2001-02.
- **The U.S. Department of Defense** expects to decide within the next 30 days on the RFP proposal for distance learning and vocational training (college level) with an anticipated funding by the DOD in late 2000 of \$700 million. iviewit's major partner in this program is Broadband Services Corp. Broadband considers the

Company's technology a "centerpiece" for its proposal, and has provided funding for iviewit to present its applications in an interactive mode. The initial funding for iviewit is \$100,000 in 2000 and with award of the RFP, up to \$3 million revenue in 2001, with similar size through 2005.

- **Broadband Services Corp.** is also the current recipient through some of its other partners of a \$300 million contract recently awarded for a Pacific rim country, e-Learning project which could incorporate iviewit technologies for imaging and video streaming similar to that of the DOD. While funding for this project has already been initiated, no revenues have been forecast in the iviewit model for 2001, although it could be significant.
- **Major Fortune 500 company with over 100,000 employees.** The Company is negotiating a service and licensing contract a major Fortune 500 company with 100,000 employees for the use of iviewit's technology for both distance learning and training. In addition, the potential client would become an iviewit reseller of the Company's application on an OEM basis with up to 400 other companies that are vendor/partner-based entities with the client. No revenue projections are included in the current iviewit business model, but it is anticipated that they would begin during the first half of 2001.

2. Collaborative Technologies (including Entertainment)

iviewit's strategy is based upon "filling an established market and value added need" rather than creating a need in the marketplace. The Company is finalizing a major business alliance with one of the largest content providers in the entertainment industry, not just for Internet applications, but for many other uses as well. iviewit's technology will not only be used for archival and on demand applications, but for "efficiencies in other disciplines" where cost and performance features are prominent measures. For example, in the delivery of content to broadcasting, pre-encoding preprocessing improvements will dictate cost and quality.

iviewit's collaborations are primary drivers in the development of entertainment forms. The Company expects to collaborate with a leading entity in the fields of HDTV and DVD that will provide attractive user alternatives in the future. While the initial phases will focus upon the Internet and its uses of the streaming and imaging platforms, there will be new alliances formed with leaders in other technical aspects of product delivery and applications.

Another example of iviewit's business strategy is in its recent alliance with Burst.com. The Company is integrating Burst technology with the iviewit platforms to provide both a superb and consistent delivery of streaming video, and product applications that significantly differentiate iviewit and Burst as leaders in their respective "backbone" applications. Burst now offers streaming media users a consistent "last mile solution" and exclusively recommends the iviewit preprocessing technology as the protocol for others to use. The Company has begun to recognize revenue this month from this collaboration.

3. Digital Cameras and Instrumentation

The broadness of iviewit's technologies and its applications outside an Internet based environment depict the scope of the pending patents and their uses in other markets. One such application is in the huge and growing market for digitization, instrumentation, and consumer products such as the digital camera market. Recently, iviewit and Eastman Kodak began a series of discussions that are now formative, and an agreement could provide significant revenue as early as summer 2001.

The applications for Kodak would follow a logical path to create a value added option that would initially be available on its "high end" digital cameras, and then be led

downstream to the broad and sizeable moderately priced digital camera lines. In each case the following would be the applications provided to Eastman Kodak for its new and future camera entries:

- The first stage would be the provision of iviewit's imaging technology as a CD that would be included with each camera, so that the consumer when "loading" it on his computer would be able to pan, zoom and "crop" pictures taken from the Kodak digital camera itself. The full iviewit imaging technology would be used on any picture taken, modified and prepared by the user. Currently, the discussions with Kodak include (for high end only) possible inclusion for its spring high-end camera line (up to 600,000 units). iviewit would prepare the master CD, Kodak would provide the production of same and follow on with the Kodak servicing of this new application for consumers. iviewit would be the "second line" of expertise servicing this application.
- The second stage would be for the development of a software/hardware format that would be fit onto the camera itself during production. iviewit and Kodak would collaborate for this technology application. Concurrently, iviewit and Kodak would broaden the usage to its moderate priced digital camera entries.
- Kodak has requested from iviewit a quote for the above application – first for the high-end market and a licensing opportunity of major significance is underway at this time. Further, other applications of similar nature (both for OEM and reseller purposes) are being developed for the scanner market and the PC market with major companies. In each case, applications driven strategies, value added marketing and cost/performance characteristics are the focus.

The Company has initiated a search for an advertising/new media agency and a public relations agency with demonstrated competence in B2B enabling technologies. The Company currently retains a leading publicist in the entertainment industry. The Company's marketing plan includes the following:

- a national print media campaign targeting corporate decision-makers for encoding images and video for commercial websites,
- a national B2B public relations campaign that targets the streaming media and digital still-imaging markets and that builds awareness and demand for the Company's imaging technologies,
- a trade show plan to promote its video and imaging technologies,
- a plan for the acquisition and exploitation of exclusive internet video events to highlight the Company's technologies and turbo charge its public relations efforts, and partnerships with selected customers for the development of leading edge applications.

The build-out of the sales and marketing team for 2001 is as follows:

- **Inside Sales:** Each of 3 individuals will be focused on generating leads for the Sales Directors in the areas of Entertainment, Education / Distance Learning and E-commerce. The inside sales position will require a minimum of 2 years of sales experience, experience within the target vertical a plus, and a proven track record of past sales success. The position incentive package will include stock options, monthly cash bonuses based on lead generation goals, and commissions based upon team quota attainment.
- **Regional Sales Manager:** Each of 8 new individuals (3 sales executives existing) will be focused on quarterly revenue generation and long term relationship building from the areas of Entertainment, Education / Distance Learning and E-commerce. The Regional Manager position will require a minimum of 5 years of sales experience, experience within the target vertical a plus, and a proven track record of

past sales success. The position incentive package will include: stock options and commissions based upon regional quota attainment.

Sales Regions: Northern CA, Southern CA, Seattle, Chicago, Boca Raton, New Jersey, New York, Boston, Dallas, Atlanta and Washington DC

Marketing Director: This individual will be responsible for developing marketing programs targeted to the areas of Entertainment, Education / Distance Learning and E-commerce. This individual will: be responsible for differentiating iviewit's technologies and offerings versus competition, strategic direction for new product and application creation, coordination of trade shows, coordination of advertising priorities, development of collateral materials, development of lead sources for the inside sales team. This individual will be responsible for communicating the company's image and branding both online and offline, day to day successes with new or existing accounts and strategic partners, and coordinating investor relations. The Marketing Director will have 10+ years of marketing expertise with a minimum of 5 years marketing applications or end-to-end solutions within the technology or Internet space.

**Strategic
Alliances**

**Greg Manning
Auctions**

iviewit & Greg Manning Auctions are developing a turnkey virtual zoomable imaging solution for collectibles in the following markets: Philatelic, Numismatics, Sports Trading Cards and Memorabilia, Comic Art/Comic Books, Movie Poster, Hollywood and Rock 'N Roll Memorabilia. There is the potential for 250,000 to over 1,000,000 images to process, host and serve per year.

Greg Manning Auctions is a specialty auction house that deals in stamps, coins, sports collectibles, fine art, diamonds, movie posters, film and music memorabilia, manuscripts, and autographs. Philately (stamp collecting) accounts for almost 50% of sales. The company takes items on consignment or buys them directly from the owners, then sells them at auctions in New Jersey and New York, by mail, by telephone, and online. The firm also conducts online auctions in China and Europe with Spanish philately specialist Afinsa Bienes Tangibles, which owns about 12% of Greg Manning Auctions.

Atlas Entertainment

Atlas Entertainment brings iviewit high profile branding, video-on-demand, and pay-for-view internet broadcast opportunities with the likes of Alanis Morissette, Ellen DeGeneres, etc.

Medical Online

iviewit and Medical Online are developing a turnkey imaging solution for zoom and pan into MRI, CT, X-ray, manunography and related images.

Medical Online's mission is to give patients, physicians, and hospitals easy access to an extensive online database of clinical diagnostic data compiled from a number of the world's preeminent medical institutions. With the help of the Medical OnLine search engine, users have the luxury of matching current diagnostic images and graphs with similar or identical archival records, complete with clinical information on each case. Using this data, doctors form stronger conclusions regarding a patient's condition, while patients acquire the information they need to take control of their healthcare.

Exodus	<p>iviewit has an exclusive encoding relationship with Burst.com customers, co-marketing alliance agreements with Exodus, and preferred pricing and re-sell agreement for Digital Island streaming media hosting.</p>
Digital Island	<p>Digital Island's five regional data centers in Asia, Europe, and the US are connected to ISPs in more than 20 countries through its ATM (asynchronous transfer mode) backbone. It maintains more than 1,200 online content distributors, including America Online, The Wall Street Journal, and CNBC.com.</p>
Burst.com	<p>The Company is integrating Burst technology with the iviewit platforms to provide both a superb and consistent delivery of streaming video, and product applications that significantly differentiate iviewit and Burst as leaders in their respective "backbone" applications.</p> <p>The company (formerly Instant Video Technologies) makes Burstware, which enables faster-than-real-time transmission of video and audio over computer networks. Unlike real-time streaming software, which is prone to network congestion, Burstware transmits better video and audio signals by delivering them faster than they can be viewed or heard. Burst.com offers software for server-based distribution and for desktop playback. The company integrates its technology with media player software made by Apple and Microsoft. Burst.com sells its products directly and through systems integrators such as Clover Technologies.</p>
Versifi	<p>The two parties have a co-marketing, license, and production relationship as well as inclusion of iviewit's imaging processes and software with the Versifi content management software for resale within the IBM e-commerce tool suite.</p> <p>Versifi Inc. specializes in building easy-to-use, enterprise Java applications to enable the creation, delivery and management of dynamic Web content. Versifi's Dynamic Information Delivery (D.I.D.) system provides the underlying architecture for deploying high-change, content-rich intranet, Web and e-commerce sites without the associated costs and rigidity of limiting scripting technologies.</p>
Virage	<p>iviewit and Virage will re-sell services and co-develop integration of the iviewit video processes with Virage's video indexing and cataloging capabilities.</p> <p>The company makes and hosts software that enables users to deploy, search, index, and manipulate video content over the Internet. Media companies can use Virage's software to manage incoming video and make entire libraries available digitally to staff, thereby eliminating stores of videotapes. Other companies can access any sort of video for their employees in the same way. The software can be used to make video available on the Internet, although Virage also offers outsource video management services.</p>

Cura Group

iviewit is providing end-to-end online video training, education, and distance learning to Cura's 150 employer base.

The Cura Group takes over the time-consuming, often aggravating employer responsibilities that they do best - payroll, employment taxes, benefits, workers' compensation, government compliance, personnel matters, hiring and outplacement services, safety and more. They become off-site human resources professionals. You now not only have more time to spend on what you do best, you have a partner, The Cura Group, the experts in dealing with the myriad of employment-related issues. By combining employees from a number of companies such as yours, The Cura Group is able to negotiate workers' compensation insurance and employee benefits packages previously available only to Fortune 500 companies. Therefore, you are able to attract and retain better qualified workers. And, because of The Cura Group's buying power, your costs can be significantly lower.

SDI-Media

iviewit & SDI will co-market and re-sell. SDI will incorporate the streaming video creation technology with their subtitling offerings in 17 different countries.

SDI Media is the world's largest supplier of subtitling services for the television, theatrical, video, and DVD industries. The group also operates state-of-the-art dubbing and voice-over facilities and offers Internet site and interactive game content localization. With offices in 17 countries throughout the world, SDI Media has a presence in all major time zones and the capability to deliver in any language for any media. SDI Media counts amongst its extensive client list many of the world's leading media and entertainment companies.

Documentation Services, Int'l

iviewit & DSI have partnered to offer turnkey virtual product listings to the B2B and B2C auction and exchange market places. DSI has video and photo production services in every zip code in the US and Canada. This production combined with iviewit technologies on the imaging and video side will offer sellers cost-effective video or zoom imaging solutions to display their assets for sale.

Since 1989 DSI has saved valuable time and money for thousands of buyers, sellers, brokers, dealers, and individuals around the world providing VHS video and 35mm photo documentation delivered via next day air. They are the only service where a customer can order a video or 35mm photo documentation today and have it delivered to their desk via next day air e-mail. D.S.I. currently covers every zip code in the U.S. and over 3,000 cities in Canada. DSI will continue to expand their coverage as well as new services in order to better serve clients.

Five Star Productions

The two parties have a co-marketing relationship for high-end video production and encoding relationship for Five Star's greater than 14,000 title video library.

Five Star Productions™ is South Florida's #1 independent television and radio production company. Their goal is to entertain, enlighten and educate. No matter the media they work in, Five Star will provide the highest quality and excellence at all times. Their clients are their partners. It is not enough for them to meet a partners every need: Five Star strives to exceed their every expectation. Five Star's presence on the Internet extends their commitment to being a truly integrated, full-service production facility. Their full range of services allows them to manage projects from concept through execution, upholding the highest of standards.

Financing History

To date, the Company has raised over \$3 million. Investors include Huizenga Holdings and Crossbow/Alpine Ventures.

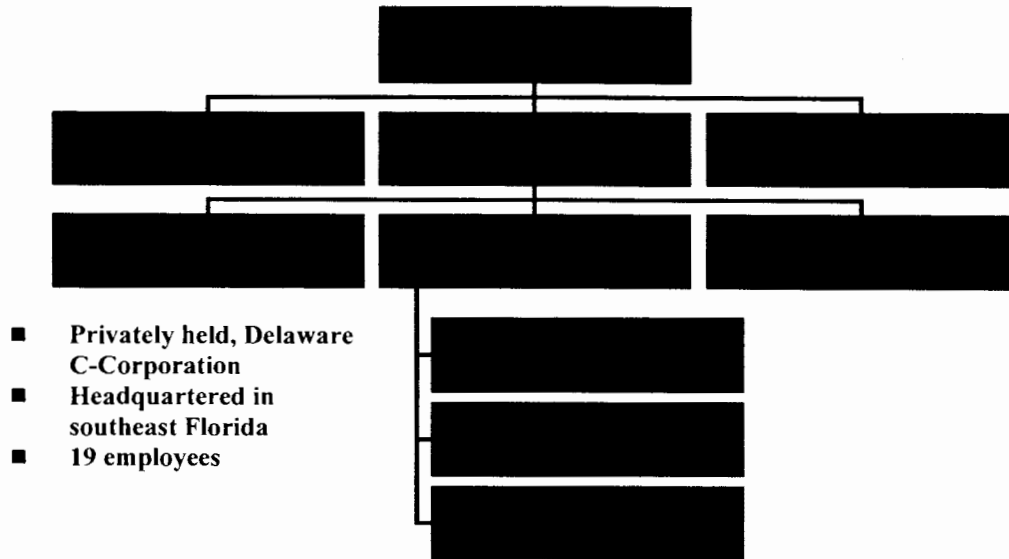
Figure 9
Financing History

<u>Date</u>	<u>Investor</u>	<u>Amount</u>
June 1999	Individual Investors	\$208,000
September 1999	Huizenga Holdings	\$500,000
December 1999	Individual Investors	\$87,000
February 2000	Crossbow/Alpine Ventures	\$1,000,000
	Individual Investors	\$185,000
March 2000	Individual Investors	\$250,000
June 2000	Individual Investors	\$80,000
July 2000	Crossbow/Alpine Ventures	\$800,000
	TOTAL	\$3,110,000

V. MANAGEMENT

Organization Chart

Figure 10
Organizational Chart



Senior Management Biographies

Whereas the Company has retained Korn Ferry to assist in the identification and recruitment of a high impact Chief Executive Officer (preferably from the media or entertainment industry) and Chief Financial Officer, iviewit has assembled a complementary and seasoned, management team with Fortune 100 and early-stage, entrepreneurial experience. This team consists of the following personnel:

Brian G. Utley, President (67) — For over 30 years, Mr. Utley was responsible for the development and world-wide management of many of IBM’s most successful products such as the AS400 and the PC. Entering IBM’s executive ranks in the early 1980s, Mr. Utley’s impact was felt in all areas of IBM’s advanced technology product development, including Biomedical Systems, European Operations, and most importantly, IBM’s launch of the Personal Computer. Following the introduction of the PC in the United States, Mr. Utley moved to Europe where he was responsible for a number of IBM’s overseas activities including managing the launch of the PC across Europe and the Middle East. His career with IBM culminated with his responsibility as Vice President and General Manager of IBM Boca Raton with a work force of over 6,000 professionals. He is a graduate of San Francisco City College.

Eliot I. Bernstein, Founder and Vice Chairman (37) — Prior to founding iviewit, Mr. Bernstein spent 15 years with SB Lexington where he was President of the West Coast Division creating and developing many innovative, computer-based multi-media marketing tools which remain in use supporting multi-billion dollar service industries. Mr. Bernstein is a graduate of the University of Wisconsin.

Michael A. Reale, VP of Operations (60) — Mr. Reale has over 20 years of operations experience, including P&L, quality, and delivery performance accountability. Most recently, Mr. Reale was the Chief Operating Officer for Boca Research (Nasdaq:BOCI), a manufacturer of personal computer enhancement and Internet thin client products. Prior to Boca Research, Mr. Reale spent two years as President of MGTV Manufacturing Corp., a premier provider of computer memory assemblies with operations in the U. S. and Europe. Mr. Reale was also responsible for seven operations in the United States and overseas as

Senior Vice President for SCI Systems, Inc., a Fortune 500 electronics contract manufacturer. His operating background also includes twenty years with IBM culminating as Director of Manufacturing for the Personal Computer Division. Mr. Reale received his BA and MBA from Pace University.

Raymond T. Hersh, Chief Financial Officer (Interim) — Mr. Hersh is a private investment banker, specializing in strategic development. He has over 35 years of successful business and operating experience involving financial services, telecommunications, manufacturing, and corporate strategic planning. Most recently, Mr. Hersh was co-founder and President/CEO of New Medical Concepts, Inc., a telecom start-up specializing in providing healthcare information. For over 20 years, he successively grew two Florida-based specialty manufacturing companies from combined revenues of about \$2.7 million to over \$19 million. Mr. Hersh also spent nine years as an investment banker in New York City where his last position was President of a member firm of the New York and American Stock Exchanges. Earlier, he spent five years as an Enforcement Attorney with the U. S. Securities and Exchange Commission in New York City where he exited as a Branch Chief. He is a member of the New Jersey and New York Bars. Mr. Hersh received his BA from Lafayette College and his LLB/JD from the University of Pennsylvania.

James F. Armstrong, VP of Sales and Marketing (37) — Previously and for 18 years, Mr. Armstrong owned and operated The Armstrong Group, Ltd., a financial planning, insurance consulting and sales firm serving corporate executives and high net-worth individuals. For four years, he built and supervised a national network of planning and sales specialists for Prudential Securities. Mr. Armstrong is a graduate of Northwestern University with a major in Economics and Business and also received a Certified Investment Management Analyst degree from the Wharton School.

Kevin J. Lockwood, Vice President, Sales and Business Development (40) — Mr. Lockwood joins iviewit from Cylex Systems where he held the position of Executive Vice President of Sales and assisted in securing three rounds of funding exceeding \$20 million. He also was instrumental in developing a distribution channel as well as signing accounts such as Outsourcing International, Tampa General and a significant seven-year contract with Best Buy Corporation. He also held the position of Head of Sales for Acer America, Inc. where he increased sales from a run rate of \$150 million annually to over \$1.5 billion annually in only a 17-month time. In addition, Mr. Lockwood successfully launched the Fujitsu P.C. into the U.S. and in the first year amassed revenues of over \$200 million. He is a graduate of the University of Maryland with a Bachelor of Science degree in Business Administration.

**Board of
Directors**

**Simon L. Bernstein – Chairman Emeritus
SB Lexington**

Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over a billion in life premium sales. Mr. Bernstein's career in the life insurance industry began in 1965 when he became the top producer for Aetna Life and Casualty Company. He has remained in the top 5% of life insurance sales agencies since that time. Mr. Bernstein supplied the initial "angel" investment for iviewit.

Eliot I. Bernstein – Founder & Vice Chairman

Brian G. Utley - President

Kenneth Anderson
myCFO

Mr. Anderson brings over 20 years of experience in the financial services world to his recent move to Jim Clark's new start-up myCFO. Prior to joining myCFO, Mr. Anderson served as a partner in Arthur Andersen's private client services practice where he created the family wealth and financial planning practice for the southern California practice. He focused on estate and income tax planning for high net worth individuals and families. Mr. Anderson has significant experience in compensation, insurance, and business succession consulting.

He is a board member of the Idyllwild Arts and Boy Scouts of America, Western Council. Ken is a founding member of the Family Business Program at the University of Southern California. He served as director of the Society of CPA/Financial Planners, was a member of the California CPA Society Committee on Personal Financial Planning. Mr. Anderson is on the Board of Directors of iViewit and Schaeffer Autosimulation, LLC. Mr. Anderson holds a BS in accounting and economics from Valparaiso University and a JD with an emphasis on taxation from the Valparaiso University School of Law.

Maurice R. Buchsbaum
Chief Executive Officer, Emerald Capital Partners

Mr. Buchsbaum has engaged in corporate finance projects as a principal, advisor, consultant, officer, director or senior managing director for the past 27 years. As a partner or senior officer of several leading investment banks (including Drexel Burnham, Kidder Peabody and JW Genesis), he has worked in all aspects of corporate finance. He formed Emerald Capital Partners in early 1999, to provide strategic planning and banking advice to a myriad of small and medium sized American growth companies. He has engaged in numerous public and private transactions and activities that include seed capital, early stage financing, major and late stage strategic finance, restructuring and mergers/acquisitions ranging in size from \$1 million to \$700 million. His industry experience includes health care, technology, telecommunications, biotechnology, financial services, environmental, and airlines. He holds BS and MBA degrees with honors from Ohio State University, and was a fellow in the doctoral program at Northwestern University.

Donald G. Kane
President, GDI

Prior to joining GDI (a privately held holding company that controls four B2B companies), Mr. Kane was a Managing Director in the Investment Banking Division of Goldman Sachs & Co. During his fourteen-year career at Goldman Sachs, Mr. Kane created the firm's Midwest Financial Institutions practice and founded the Global Financial Institutions Technology Group. He is a Board member and Vice Chairman of Sagence Systems, Inc., a GDI company and is a member of the Board of Versifi, Inc. and Ergo Systems. Mr. Kane is an advisor to Signcast, Inc., Gryphon Holdings, and Capita Technologies. He is a member of the Kellogg Graduate School of Management Advisory Board at Northwestern University and is a member of the Board of the Metropolitan YMCA of Chicago.

Gerald R. Lewin
Senior Partner, Goldstein Lewin & Co.

Mr. Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. Mr. Lewin is a Senior Partner of Goldstein Lewin & Co., a leading southeastern accounting firm. Mr. Lewin specializes in business consulting and is highly knowledgeable in many areas of accounting, tax and financial planning. Mr. Lewin is a member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

H. Hickman Powell
General Partner, Crossbow Ventures

Prior to joining CrossBow Ventures, Mr. Powell spent 14 years as an investment analyst and corporate finance advisor. He worked with McKinsey & Company and J.P. Morgan

Investment Management, both based in London. Among his primary areas of expertise are technology research and economic research, including electronics, telecommunications and computer software. Most recently, he was Senior Technology Analyst and Vice President of Southeast Research Partners, Inc. where he worked with leading technology companies. He earned a bachelor of arts degree at Yale University and a master of business administration degree at Stanford University.

Advisory Board**Eric M. Chen****President, Emerald Capital Partners**

Mr. Chen has spent much of his career in the field of investment banking where he has specialized in advising, financing and guiding the growth strategies of many health care companies. His areas of expertise include biotechnology, medical diagnostics, and new emerging drug technology and delivery systems. He has served as an analyst, Senior Vice President and Managing Director for several Wall Street firms including Furman Selz, Hambrecht & Quist, Fechtor Detwiler and Southeast Research Partners. Much of his activities have focused upon early stage growth companies in both the public and private sectors. He has analyzed companies in a wide variety of industries, which include vision care, telecommunications, computer storage, software applications and data management. Mr. Chen is the President of Emerald Capital Partners, which he co-founded with Mr. Buchsbaum, since his departure from Southeast Research Partners in early 1999. He is an honors graduate from Harvard University.

Alan J. Epstein**Partner, Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C.**

Mr. Epstein's law practice consists of advising Internet companies on various issues pertaining to the entertainment and sports industries, including the creation, licensing and acquisition of content, the introduction and negotiation of strategic partner relationships, and various other matters relating to the convergence of technology and content. Mr. Epstein also advises his firm's numerous celebrity clients on the exploitation and protection of their name and likeness rights and content on the Internet, as well as merchandising, endorsement and sponsorship deals. Prior to entering the UCLA School of Law, Mr. Epstein was a certified public accountant at Deloitte Haskins & Sells in Dallas, Texas.

Kenneth Rubenstein**Partner, Proskauer Rose LLP**

Mr. Rubenstein is a partner at Proskauer Rose LLP law firm and is the patent attorney for iVIEWIT. He is a registered patent attorney before the U.S. Patent & Trademark Office. Mr. Rubenstein counsels his clients with respect to the validity and infringement of competitors' patents, as well as prosecutes patent applications. For the past several years he has worked on the formation of a patent pool, for MPEG-2 technology, involving large consumer electronics and entertainment companies. He is also a former member of the legal staff at Bell Laboratories. Mr. Rubenstein received his law degree, cum laude, from New York Law School, and his Ph.D. in physics from the Massachusetts Institute of Technology where he also graduated with a B.S. Degree.

Christopher C. Wheeler**Partner, Proskauer Rose LLP**

Mr. Wheeler is a member of Proskauer Rose LLP's Corporate Department and as a partner in the Florida office has a versatile transactional practice. He has had extensive experience in real estate and corporate law, institutional lending and workouts, administrative law and industrial revenue bond financing. Moreover, he serves as a strategist and counselor to many clients in handling their other legal and business matters. Mr. Wheeler is well-versed in general corporate law as well as mergers and acquisitions and securities matters. He has guided companies from startup through initial private placements to public offerings. A graduate of Hamilton College and Cornell Law School, Mr. Wheeler was a member of the managing Board of Editor of the Cornell Law Review.

**Legal &
Accounting
Counsel****Arthur Andersen, LLP**

Arthur Andersen's vision is to be the partner for success in the New Economy. The firm helps clients find new ways to create, manage and measure value in the rapidly changing global economy. With world-class skills in assurance, tax, consulting and corporate finance, Arthur Andersen has more than 70,000 people in 83 countries that are united by a single worldwide operating structure that fosters inventiveness, knowledge sharing and a focus on client success. Since its beginning in 1913, Arthur Andersen has realized 86 years of uninterrupted growth, with 1999 revenues over \$7 billion. Arthur Andersen is a business unit of Andersen Worldwide.

Proskauer Rose, LLP

This law firm is one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients through the United States and around the world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.

Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C.

One of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting in developing the business structure and strategic relationships for iviewit.

Foley & Lardner

One of the oldest and largest law firms in America. Founded in 1842, the firm now has more than 750 attorneys in 14 offices, following the February 1996 merger with Weissburg and Aronson, Inc. Foley & Lardner's over 100 highly skilled intellectual property attorneys constitute one of the largest and most sophisticated technology groups in a general-practice law firm in the United States. As one of the few large national law firms with a global intellectual property law group, it is uniquely positioned to help iviewit capitalize on its foreign filings. The firm's broad-based representations in litigation, regulatory affairs and general business counseling is complemented by one of the world's most highly trained staffs, which includes 65 engineering and advanced technical degrees, including 12 Ph.D.'s. The list of clients using Foley & Lardner to fill their intellectual property legal needs ranges from small entrepreneurial start-up companies to large international and multinational corporations. Foley & Lardner attorneys provide solutions and successfully serve the needs of clients around the world, including those situated in the United States, Canada, Latin America, the European Union, Eastern Europe, the Middle East, and the Pacific Rim.

- **William J. Dick** - Special Counsel to the West Palm Beach office of Foley & Lardner. A member of the firm's Intellectual Property Department (Electronics Practice Group), Mr. Dick currently focuses on mentoring other members of the Electronics and Consumer Products Practice Groups in various IP related matters. He also conducts weekly classes in patent related matters for new associates. Mr. Dick joined Foley & Lardner after 26 years with IBM. He began as a patent attorney, and has handled all phases of patent, trademark and copyright duties, including litigation. Mr. Dick's most recent position with IBM was as Assistant General Counsel to IBM Asia Pacific. Mr. Dick is a graduate of the University of Virginia (B.M.E., 1956; L.L.B., 1962 changed to J.D., 1970)
- **Douglas Boehm** - a partner in the Milwaukee office of Foley & Lardner and a member of the firm's Intellectual Property Department (Consumer & Industrial Products Practice Group and Health Information Technology Practice Group), Mr. Boehm practices in the areas of patent, trademark, copyright, and trade secret counseling; U.S. and foreign patent

prosecution; and computer software and intellectual property licensing and technology transfers. Mr. Boehm's technical focus encompasses electrical and electronic engineering, including analog/digital/RF circuitry, radio telecommunications, lasers and fiber optics, and computer hardware and software. He has extensive experience in private industry, having worked as a development engineer and patent agent for Motorola, and as patent counsel for a subsidiary of Amoco Technology Company.

Ownership
**Figure 11
Ownership Structure**

Shareholder	Number of Diluted Shares	Ownership	Voting
Preferred Series A			
Crossbow/Alpine Ventures	2,580	3.6%	8.9%
Common Series A			
Eliot Bernstein	11,320	15.7%	38.9%
Simon Bernstein	5,350	7.4%	18.4%
Huizenga Holdings	3,007	4.2%	10.3%
Crossbow/Alpine Ventures ⁽¹⁾	4,644	6.4%	16.0%
Other	2,196	3.0%	7.5%
Total Voting	29,097	40.3%	100.0%
Common Series B			
Eliot Bernstein	12,330	17.1%	
Simon Bernstein	5,000	6.9%	
Brian Utley	3,428	4.7%	
iviewit Technologies	5,000	6.9%	
Other Management	4,250	5.9%	
Other ⁽²⁾	13,069	18.1%	
Total Non-Voting	43,077	59.7%	
Total Shares Outstanding Diluted	72,174	100.0%	

(1) Includes anti-dilution rights

(2) Includes 5,200 non-issued employee options

VI. INDUSTRY OVERVIEW

Industry Introduction

Even in today's "narrowband" Internet environment, rich media is already becoming mainstream. Audio and video streaming and rich media downloads (e.g., MP3 files) are among the most popular Internet applications. For example, MP3 is still one of the most popular search terms on the Web. Furthermore, there are currently over 80 million installed Real Players, 40 million Microsoft Windows Media Players, and 20 million Apple Quick Time Players. According to Media Metrix, 20 million home users and 9 million work users used streaming media in 1999. Importantly, returning to the metrics of minutes, it is estimated that there were over 145,000 hours/week of live sports, music, news, and entertainment being broadcast over the Internet using Real Networks technology in 1999. These trends are leading indicators of building demand for rich Internet media and the infrastructure needs associated with fulfilling the demand.

One key macro trend that will accelerate the migration of rich media to the Internet is the convergence of offline and online media companies. The recent AOL/TimeWarner mega-merger is the first wake up call that the convergence of offline and online media is both real and big. The AOL/Time Warner combination brings together the key elements that will drive rich Internet media, namely a broad Internet audience, offline media assets, and extensive broadband capabilities. This trend should continue with further broadband or all-band initiatives as well as partnerships and mergers between offline and online media companies.

Forrester Research projects that 35% of Internet users, or 62 million, will have broadband access by 2003, up from 6% in 1999. More immediately, IDC estimates that U.S. broadband subscribers will triple by the end of 2000, reaching 17.5 million, up from 6 million in 1999.

Video Streaming Overview

Until now, the delivery of video content over the Internet was substantially text-based, and attempts to transmit video content over the Internet have been marred by long downloads, small image size, reduced frame rates and poor quality. Reducing the bandwidth time it takes to transmit files usually has meant delivering a picture that appears "herky-jerky" and out of sync with the sound. Providing video that is comparable with television (full motion/full screen/full frame rates), on the other hand, typically has been impossible because of the large file sizes resulting in the need for over 2 T1 lines of bandwidth to watch a single video. Trying to squeeze television-quality video files into sizes that can be transmitted on the Internet proved elusive accompanied by severe limitations, such as the requirement for costly and often unavailable bandwidth.

Current industry processing techniques do not provide solutions for clear, full TV frame rate, full screen streaming video at 150+ Kbps. Current videos tend to be herky-jerky and "kung-fu movie like" in that video and audio do not match even over broadband. Also, many current videos can typically only be viewed as 1/16 of the screen in order to improve the apparent quality of the picture. State of the art video even for high bandwidth users (ISDN, DSL, Cable, T1 and Fiber) remains "framey" and out of sync.

As recently as December 1999, *The Industry Standard* indicated that the Internet speed required for Television-like quality video would not be possible until the 700+ Kbps range was reached and that "nowhere in the tech world have there been more unfulfilled promises than in the realm of next-generation television." iviewit's video technologies have bridged the gap by enabling distortion-free, TV quality video frame rates with CD quality audio in the 150+ Kbps range, considered optimal for delivering broadcasts over the Internet. iviewit's video technologies also greatly enhance the modem users experience, providing a far richer video than previously thought possible.

The transmission of data intensive content over the Internet has been limited due to both technological and bandwidth constraints. However, the increasing availability of improved delivery systems, such as digital cable modems, T-1 lines, satellite delivery systems and DSL networks are enabling the use of more feature-rich multimedia content. Even at these higher bandwidth speeds video quality remained poor until iviewit developed processes that allowed users at these speeds TV quality video streaming. These broadband systems typically allow sustained data transfer to the user of at least 256 kilobits per second, or approximately 5 times the access speed of the fastest standard narrowband modems.

The broadband industry is drawing billions of dollars in capital investments to develop the necessary infrastructure for broadband content and delivery. The cable companies are massively marketing this existing user base to include broadband access. Similarly, the telephone companies are upgrading their lines to offer DSL access. In addition, major hardware manufacturing companies, application developers and content providers are racing to be the de facto standard for broadband delivery.

Multimedia streaming technology is bringing new levels of versatility, quality and simplicity to the creation and distribution of multimedia content over the Web. One measure of the growth in use of streaming media is the number of registered users posted by RealNetworks, a company that develops software used by broadcasters to stream multimedia content over the Internet. The first RealPlayer was released in 1995, and to date, over 80 million unique users have been registered. The RealPlayer download rate now exceeds 175,000 per day, an increase of more than 270% since the beginning of 1997.

Streaming media is now the most widely used application, after browsers and online programs like AOL, on the Internet, and it is growing exponentially. Microsoft's Media Player, RealNetworks player and Apple's Quick-Time player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, on demand.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies. iviewit's suite of technologies will positively affect and benefit all of these parties.

- For consumers who have a broadband "pipe" in their homes, streaming video is the "killer application." The promise of rich visual content defines the reason for paying \$40 - \$50 per month for the increased bandwidth. It means that consumers can see the entertainment, news, product commercials, infomercials and education videos they want - at near TV quality. This promise will be maximized by the proliferation of content delivered through and with iviewit. The companies responsible for providing the infrastructure for broadband recognize the importance of promoting enabling technologies and driving media-rich content to the web. The paradigm has shifted to include content creation as a significant element of their overall strategy. Greater availability of quality content on the web will increase demand for the pipes necessary to view it.
- For B2B e-commerce sites, iviewit's technologies will provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product manuals through iviewit's proprietary system, business e-commerce sites can leverage their video and image investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality visual experiences. Licensing these B2B sites will be a primary market focus for iviewit's technologies.
- For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues etc., iviewit's technologies means that

video streaming can finally become a revenue source. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for the small screen, grainy content prevalent on the web today, and the pipeline required for serving these files is expensive. iviewit's technologies provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and reducing the digital stream size required to serve them. These solutions are at the core of iviewit's competitive market advantage.

Imaging Overview

Companies are rapidly adopting the use of digital imaging to effectively promote their products on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites; however, most of the images remain flat two-dimensional images offering a limited field of view. Technological innovations that enhance realism and interactivity and contribute to a viewer's retention to that web site will facilitate the success of e-commerce by leading to increased sales and advertising rates. Specifically, immersive imaging, or the ability to enjoy the viewing perspective of being inside the image, is becoming increasingly popular with many web sites and webmasters. However, image creation with many of the existing immersive technologies is labor intensive, produces poor visual quality and requires proprietary hardware and software. As a result, market acceptance of these technologies has been limited. Until iviewit's digital imaging process the users ability to zoom into a picture or virtual reality environment was limited due to pixel distortion.

In order for widespread adoption of immersive imaging by businesses and consumers to occur, new immersive technologies must compete with iviewit standards such as:

- Ease of creating and viewing an image
- Ease of distributing and sharing the image
- "Scan, Pan and Zoom" Capabilities
- Cost effectiveness
- Use of standardized technology
- Platform independence

Competitors

iviewit is the first and only company to provide video streaming that delivers a rich video experience with virtually distortion-free, full screen capability at normal, TV-equivalent frame rates of 29.97 fps (frames per second). Similarly, iviewit is the first and only company to provide virtual imaging that preserves and delivers full image quality and detail of the original image - without distortion - not only during compression (up to 100:1), but also through high resolution zoom and magnification.

iviewit has established a first mover advantage and created significant barriers to entry through the Company's patent portfolio and trade secrets. In accomplishing these technical breakthroughs, iviewit has accomplished what engineers previously thought unachievable under current bandwidth limitations. iviewit's two-year development investment gives it significant lead-time in this space providing a significant competitive advantage in development time.

The early customer validation that iviewit has achieved will generate and enable additional market momentum, not only establishing iviewit's breakthrough technologies as unique, but also underscoring and confirming it as the "gold standard" for video/audio streaming and imaging over the Internet.

However, iviewit is not the only company to provide video/audio streaming and immersive imaging solutions although it is important to understand that iviewit has proprietary processes

that differentiate it from other providers. The development of iviewit's proprietary technologies and techniques has been the focus of the Company's patent portfolio.

iviewit's proprietary technologies have been designed to utilize and take advantage of the burgeoning availability and use of broadband (100-700 Kbps spectrum) using existing browsers and players (e.g., Real Player, Media Player and Quick Time); other known efforts at video/audio streaming and imaging that were developed for these bandwidths produced results associated with dial-up modem capabilities. iviewit technologies have accomplished previously unachieved quality and features in streaming audio and video, with the intent and capability to drive these advantages downward (from the "sweet-spot," or most efficiently used broadband zone: 150+ Kbps) to the dial-up range. The result is improved quality even at low bandwidths. In comparison, the competition's attempts to improve the quality of streaming video have resulted in significant limitations and compromises such as; reduced frame rates, small screen display and herky-jerky video with "kung-fu" movie-like audio overlays.

What is the current and near term real competition in both streaming and imaging for iviewit and what are the metrics and differentiators?

Video

The three companies most frequently compared to iviewit are Loudeye, Sonic Foundry and EncodeThis!. In addition to these encoding specialists, iviewit can anticipate competition from some of the companies in the hosting and serving space like Akamai and Digital Island. iviewit will compete with the encoding specialists on the basis of quality. iviewit will also differentiate itself from the competition by providing application solutions for specific markets like distance learning. iviewit regards the major players in the hosting & serving sector as likely partners going forward. Their core competency and business model focus is on the storage and delivery of content. As evidenced by Akamai's purchase of Intervu, these infrastructure players are likely to be acquisitive or look to ally with the stronger technology partners.

Imaging

In the imaging marketplace, the three companies most frequently compared to iviewit are IPIX, MGI software and Xippix.

IPIX

1. Virtual Tours: This product utilizes a "fish-eye" photographic lens to capture a 360° image of a scene. The IPIX solution results in images with severe distortion and limited magnification. Additionally, their solution takes a "one-size-fits-all" approach by limiting their tours to only one option – a 360° view. Their success in the residential real estate market can be explained by the fact that the usefulness of this inferior "limited" imaging technology is "good enough" to help a real estate buyer to narrow the choices from many properties to several before a final purchase decision is made in person. The IPIX solution will never be used by an e-commerce company that expects site visitors to make a final purchase decision online. The product offered by IPIX is a low-end solution and not direct competition for iviewit. The travel/hotel/resort industries provide excellent examples of businesses that must capture a viewer's eye and emotion through their online photographs and virtual tours. These companies will require the quality and flexibility of the iviewit solution.
2. Rimfire Dynamic Imaging: This product displays a series of photographs designed to provide a viewer with the ability to see a product from several angles. This multi-frame "slideshow" offers no ability to pan or zoom and is simply a series of static photographs. iviewit's object modeling solution provides a seamless rotation of an object and the ability to zoom in and inspect the product at any time. Retailers and

auction companies are afforded greater image quality and display flexibility with the iviewit solution.

3. Movies: This product combines a “fish-eye” lens with a video camera and allows the user to choose the viewing perspective. While this is an interesting idea, the chief drawback to its adoption is the requirement that the content be filmed specifically for this application. This is a significantly limiting factor since existing content cannot be repurposed for this application and conventional video shoots must now be duplicated in order to utilize this solution. Additionally, a visit to the IPIX website reveals that none of the IPIX movie streams actually play.

MGI Software and Xippix

These companies offer a suite of imaging applications that offer similar capabilities. The chief differences between the product offerings from these firms and iviewit’s products can be explained by focusing on two display components:

- Transmission of digital information

iviewit offers the only solution that does not require the continual transmission of data from the server to the user’s computer to enable the zooming and panning functionality. This is a significant advantage especially for users connected at slower speeds. Each time a user zooms into or pans around on an MGI or Xippix image, the user’s display screen must redraw the image. A user’s interaction with an iviewit image results in fluid movement and clarity of image at all times.

- Image viewing window

Since MGI and Xippix must redraw the screen each time the user manipulates an image, the image viewing window must be small in order to limit the total number of pixels that must redraw. Conversely, since iviewit’s images do not require the re-transmission of data when images are manipulated by a user, the size of the image viewing window does not affect the performance of the viewing experience.

What is the perception of competition to iviewit’s technology?

iviewit’s technologies enable B2B and B2C sites. The casual web surfer may perceive certain destination sites as competitors when, in fact, they are customers. Hollywood.com is an excellent example of an iviewit client that might appear to be a competitor. The highest visibility sites are businesses that are attempting to monetize content through a pay-per-view or advertising model (e.g. Vidnet, iFilm, MTVi). Their business is dependent upon professional encoding and end-to-end applications service providers, like iviewit, for their success. Similarly, the companies providing the standard players for streaming media (Microsoft, Real NetworksPlayer and AppleQuicktime) do not directly compete with iviewit. They provide the necessary player interfaces that allow a computer user to play the iviewit files.

Very few companies will find it economically feasible to invest in the systems and talent necessary to provide these visual solutions in-house. Sophisticated processes and systems configurations together with an environment of rapidly changing standards and innovation combine to create significant barriers for the do-it-yourselfers to create this visual content for themselves.

What is the Company’s business strategy to deal with future competitive technologies to maintain competitive advantage?

The critical issues for iviewit regarding competition relate to what are the important technology issues going forward, where the industry is moving, and what are the most important areas for future research and development to maintain a competitive initiative.

The encoding procedure itself and the evolution recently of many “encoding farms” is not a solution, but simply a function of immediate demand. Going forward, significant emphasis will be focused upon the steps that occur before encoding (i.e. pre-processing for both internet and broadcasting), the enhancement of existing MPEG 2 format, and variations of MPEG-4 to

improve it. Because iviewit is a “process technology” with pending patents focused on efficiency equations, the many applications for this technology are just now being recognized. Improvements in all three areas cited above will become a core area for new technology in the future. Significant effort by iviewit in the development of research to improve and expand its processes and new uses for the efficiency equation are being now extensively explored in collaboration with others. The Company expects many further patents, improvements in existing pending patents, and a broad “protective shield” for many new and future applications will be a focus for the Company. The industry will move toward improvements pre-encoding, the development of internal efficiencies for encoding and codec formats, and new advances in broadband delivery in the future. iviewit will focus upon collaborative strategic relationships in research and marketing channels to continue to position and protect its intellectual properties.

As the industry discovers new applications, as “hot technology segments” appear and as competitors emerge in each space, iviewit will emphasize its role as an innovator and deliverer of solutions to the marketplace with focus upon improving the performance and cost characteristics of its business environment.

For small entities that develop competitive technologies that become a “hot spot”, iviewit may either acquire the technology or possibly acquire the competition. For larger companies that provide a new competitive technology or “hot spot” in iviewit’s product and marketing space, collaborations, strategic alliances and licensing are traditional tools.

Primarily, iviewit must lead in continual research and development, and employ capital and resources to maintain its prominence as a technology platform for all areas that become a part of its offerings in the marketplace.

iviewit will continue to aggressively develop its technologies, applications and its patent pool and forge strategic R&D relationships to help ensure its position as a leading provider of visual solutions. Strategic investments and acquisitions are also anticipated.

VII. FINANCIAL PROJECTIONS

Video processing is priced at \$5/min with an average of 4 formats per video. Hosting and serving is priced at \$50/GB per month and \$30/GB per month, respectively. The Company expects to serve 70% of the processed video minutes and to host 25% of the clients' videos. The video revenue model assumes each video to consist of 2-5 minutes of source material varying with segment (music, magazines, studios, sports, other). The Company expects to be servicing 48 video customers within four quarter of this financing. Based on the above assumptions, this represents 380GB of encoded video and 6,385GB served for these customers. See page 14-16 of the Detailed Financial Model in the Appendix for further information.

Imaging is modeled much the same as video. The Company assumes \$3/image for processing, but hotels/resorts are priced per property at \$7,800/property. Monthly hosting and serving is priced at \$149/property for hotels/resorts. General hosting/serving is priced the same as video on a per GB basis. One-time set-up fees of \$1,500 are charged as well. The Company assumes a licensing fee of \$112,500 for the first year and \$84,375 for subsequent years. See page 17-19 of the Detailed Financial Model in the Appendix for further information.

The revenue projections are as follows:

Figure 12
Projected Revenues

Video	Year 1	Year2	Year3
Encoding	\$564,435	\$5,305,221	\$14,202,070
Archival	\$98,465	\$1,189,155	\$4,851,618
Hosting	\$19,913	\$215,011	\$729,939
Serving	\$302,115	\$4,343,611	\$19,594,573
Master Licensing	\$675,000	\$3,431,250	\$3,993,750
Web Design & Consulting	\$113,100	\$480,600	\$458,400
Video Total by Year	\$1,659,929	\$14,484,248	\$43,371,950
Imaging			
Annual License Fee Revenue	\$21,000	\$150,500	\$323,500
Setup Fee Revenue	\$60,000	\$147,000	\$84,000
Hotel & Resort Packages Revenue	\$85,800	\$343,200	\$202,800
Image Processing Revenue	\$576,387	\$3,102,735	\$5,811,171
Master License Revenue	\$787,500	\$3,178,125	\$3,965,625
Hosting Revenue	\$22,775	\$180,002	\$516,868
Serving Revenue	\$232,529	\$2,290,568	\$7,860,524
Hosting & Serving Revenue for Hotels & Resorts	\$9,387	\$65,709	\$132,759
Archival	\$45,942	\$372,823	\$1,089,549
Web Design & Consulting	\$138,000	\$462,000	\$472,200
Imaging Total by Year	\$1,979,320	\$10,292,662	\$20,458,996
Grand Total by Year	\$3,639,248	\$24,776,909	\$63,830,946

Figure 13
Projected Revenue Breakdown

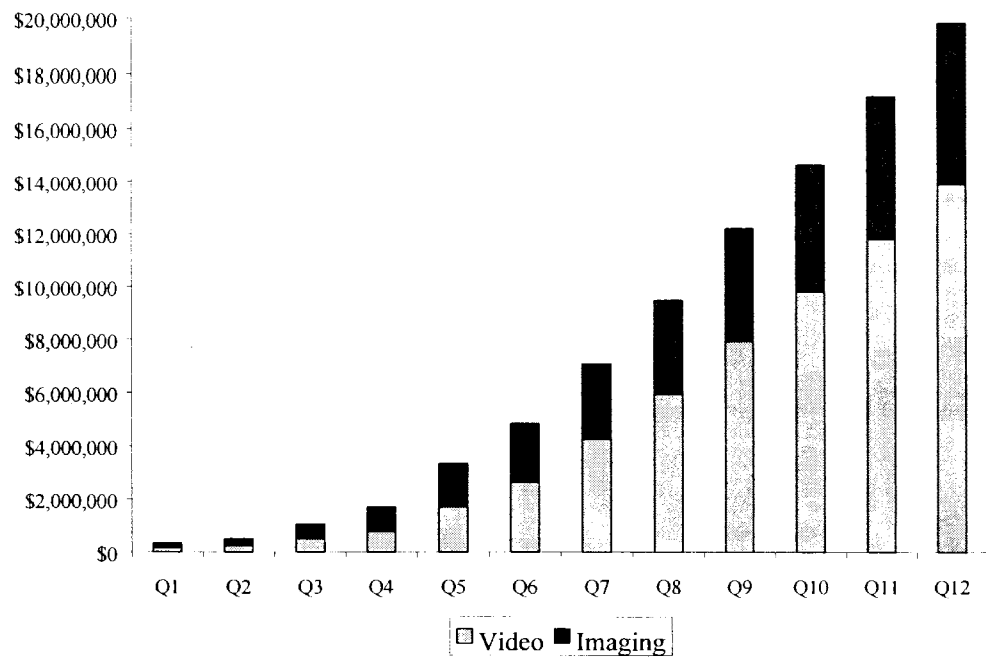


Figure 14
Projected Video Revenue Breakdown

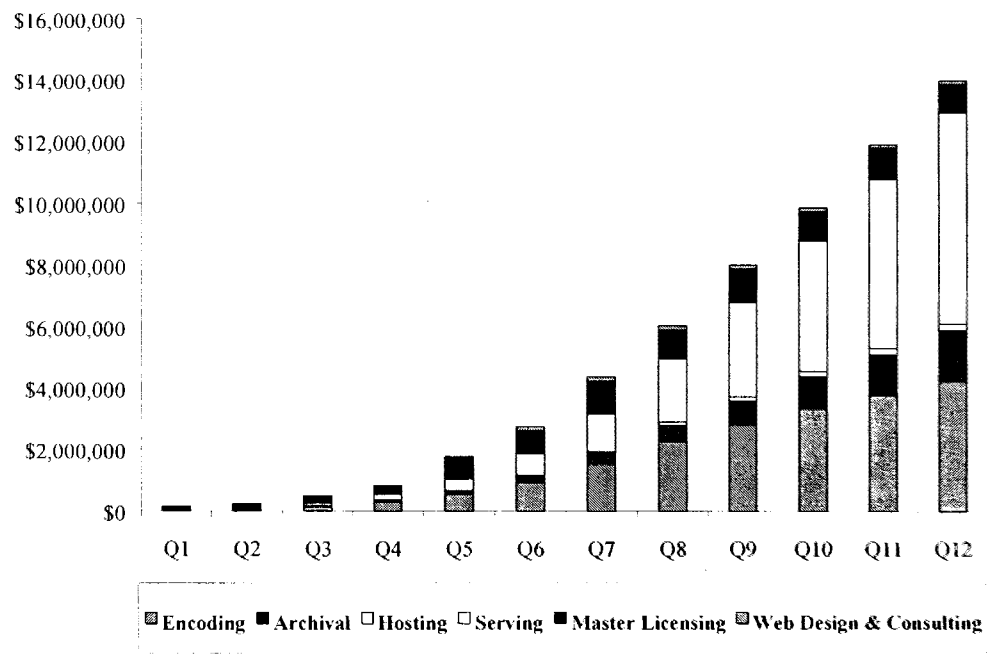


Figure 15
Projected Imaging Revenue Breakdown

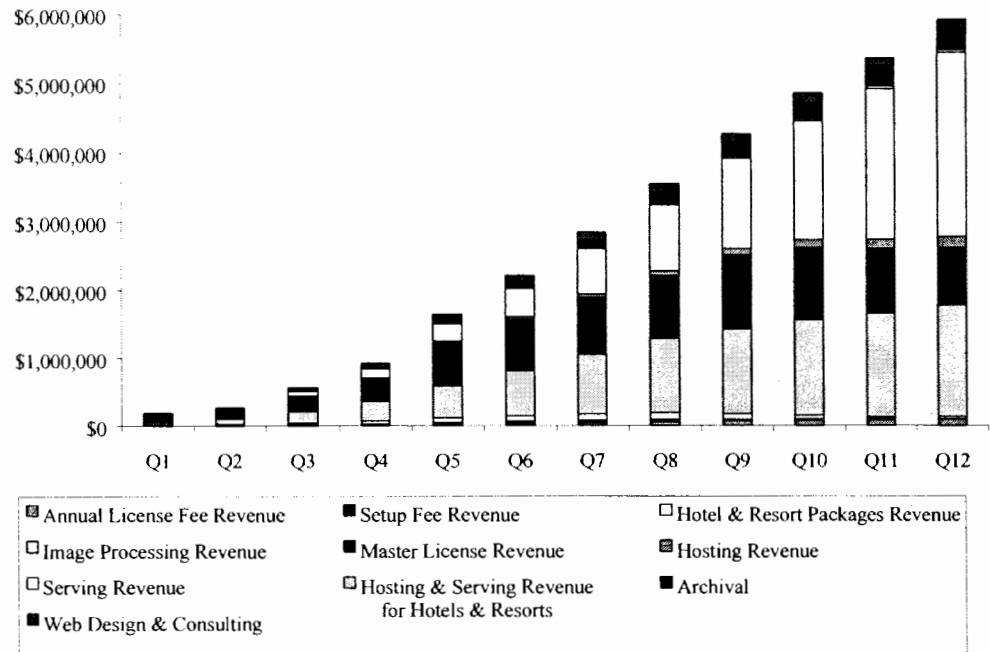


Figure 16
Projected Income Statement

	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>
REVENUE	\$ 3,639,248	\$ 24,776,909	\$ 63,830,946
COST OF GOODS SOLD	<u>2,057,453</u>	<u>6,617,445</u>	<u>13,192,434</u>
GROSS PROFIT	<u>1,581,796</u>	<u>18,159,464</u>	<u>50,638,512</u>
OPERATING EXPENSES:			
SELLING, GENERAL, & ADMINISTRATIVE	9,861,781	13,870,983	24,790,101
RESEARCH AND DEVELOPMENT	<u>776,326</u>	<u>1,705,086</u>	<u>2,686,204</u>
TOTAL OPERATING EXPENSES	<u>10,638,107</u>	<u>15,576,069</u>	<u>27,476,305</u>
OPERATING PROFIT (LOSS)	(9,056,311)	2,583,395	23,162,207
NET INCOME (LOSS)	<u>\$ (9,157,644)</u>	<u>\$ 2,364,062</u>	<u>\$ 16,378,757</u>
EARNINGS BEFORE INCOME TAXES, DEPRECIATION AND AMORTIZATION	<u>\$ (8,860,499)</u>	<u>\$ 3,871,945</u>	<u>\$ 26,610,280</u>

Epstein, Alan

From: Eliot I. Bernstein [eliot@iviewit.com]
Sent: Tuesday, July 25, 2000 1:42 PM
To: Alan J. Epstein (E-mail)
Subject: RE: iviewit.com business plan and financials - AUDITED

I didn't get the attachment. ?? aje

-----Original Message-----

From: Eliot I. Bernstein [mailto:eliot@iviewit.com]
Sent: Saturday, July 22, 2000 9:00 AM
To: James F Armstrong (E-mail); Eliot I. Bernstein (E-mail); Raymond T. Hersh (E-mail); Guy T. Iantoni; Michael A. Reale (E-mail); Brian G. Utley (E-mail 2); Jeffrey Friedstein (E-mail); Jeffrey Friedstein (E-mail 2); Donald G. Kane II (E-mail); Alan J. Epstein (E-mail); James R. Jackoway (E-mail); Michele M. Mulrooney (E-mail); Maurice Buchsbaum (E-mail); René P. Eichenberger (E-mail); ~~Hank Powell~~ (E-mail); Hank Powell (E-mail 2); Stephen J. Warner (E-mail); Theodore D. Lanzaro (E-mail); Gerald R. Lewin (E-mail 3); Kenneth Anderson (E-mail)
Subject: iviewit.com business plan and financials - AUDITED
Importance: High



www.iviewit.com

To: iviewit Business Pln

Saturday, July 22, 2000

Dear Gentlemen,

Attached is the new business plan and financials for iviewit. The file is a Microsoft Word document and the password = bizplan, when prompted for a second password, click the "read only" tab. The financials are located at the end of the Word document and are in Excel format. You can print the financials if you would like by following these instructions:

If you would like a hard copy of the financials, please run the Excel executable and print the financials. Once you open the excel workbook, click FILE then, select PRINT, go to the "Print What" section and select "Entire Workbook" and then select OK. In the event that you would like to review the financials on your screen follow the previous steps, except after selecting "Entire Workbook" select "Preview". If you have any problems or would like a hard copy sent please call our toll free number at 877-484-8444.

Best regards,

Eliot

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The sights and sounds of the Internet

Strategic Business Plan

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Confidentiality Statement

This business plan and the exhibits hereto (collectively, the “Plan”) have been submitted on a confidential basis for use by a limited number of sophisticated investors or acquirers (the “Investor(s)”) solely for, and should be used only in connection with, an Investor’s consideration of an investment in **iviewit Holdings, Inc.**, and its affiliates (collectively, the “Company”). Its use for any other purpose is not authorized. Any reproduction or distribution of the Plan, or re-transmittal of its contents, in whole or in part, without the prior written consent of the Company is prohibited.

This Plan contains certain information of a highly confidential nature, including projections by the Company’s management of the Company’s performance and other material of a forward-looking nature. The receipt of this Plan constitutes an agreement on the part of the recipient hereof to maintain the confidentiality of the information contained herein or any additional information subsequently delivered in connection herewith. Investors who accept this Plan or become aware of the information contained herein must understand and comply with the extensive restrictions imposed by Federal and State securities laws upon their ability to disclose information contained herein to others or to participate in or otherwise effect or facilitate any transaction relating to any securities of the Company. Investors who cannot comply fully with such restrictions should not review the information contained herein and should immediately return this Plan to the Company.

Executive Summary

Introduction

iviewit Holdings, Inc. (herein after “**iviewit**” or “**the Company**”) is a developer and provider of several breakthrough proprietary platform audio and visual technologies, supporting the infrastructure of the Internet. The Company has developed and launched three breakthrough technologies – video/audio streaming and image enhancement -- that enable (1) full-screen, full TV frame rate, full-motion video including stereo quality audio, (2) full screen high definition pictures that have “scan, pan and zoom” capabilities with a zoom technology never before seen and (3) high fidelity audio streams at low bandwidths. These technologies allow, for the first time, a rich and full Internet experience and virtual environment any time a b2c (Business to Consumer) or b2b (Business to Business) Internet application can be enhanced by or requires a video, audio or photographic presentation. By virtue of its enabling technologies, **iviewit** is leading the advancement of multi-media applications for websites both in streaming video/audio and imaging following the first demonstration of its proprietary technologies in 1998. Since that time, **iviewit** has refined its several (Patent Pending) processes to transform these breakthrough technologies into consistently deliverable and commercially accepted Internet solutions.

Company

Founded in 1999, **iviewit** has raised over \$3 million of equity capital, which has enabled it to develop, test and commercially launch its visual Internet infrastructure technologies. Initial, key management is in place, and the Company has successfully passed through its technical validation phase to ensure that its technology is fully reproducible and reliable. **iviewit** then identified several market sectors to emphasize, and it has targeted key early stage customers in order to gain recognition and commercial acceptance. The company has formed strong strategic alliances and partners in both the Internet and Multimedia spaces.

iviewit is engaged in the application of these exciting and new visual and audio technologies for the use by content providers of all types and consumers to make their experience over the Internet dynamic and real. **iviewit's** business model is to:

- license its proprietary video/audio streaming and imaging technologies for the processing, encoding, managing and specialized web-hosting of source material and content where multi-media Internet distribution is required
- develop image and branding for its technology backbone capabilities
- identify and develop expanded vertical sector marketing and new applications

- expand its scalable processing capabilities on a production-controlled basis
- create a service bureau to compliment the licensing model and provide customers with image and video processing, hosting and serving services
- launch broad-based promotion and marketing campaigns through advertising, trade shows and key customer references
- confirm **iviewit** as the industry Gold Standard in supplying leading edge, multi-media visual and audio streaming and imaging infrastructure and tools for the Internet

The Company commercialized in the second quarter of this year and as of June, has its initial customers including: Hyatt Hotels, Hollywood.com, Broadway.com, Gear Magazine and Ellen DeGeneres, among many others. The company estimates that the combined, annualized revenues of these initial customers will reach approximately \$4 million dollars once they are implemented and ramped to present customer expectations. Such revenues will exceed **iviewit's** first year expectations. As **iviewit** secures its next round of funding, the Company will aggressively accelerate the implementation of its product licensing and service plan.

Proprietary Technologies

iviewit has developed three complementary technologies to enhance videos, audio and images delivered over the Internet:

1. State-of-the-art, proprietary technologies, enabling full motion/full screen/full frame rate, high quality, distortion-free streaming video and audio to be viewed by any internet video player at amazingly low bandwidths, with extraordinary quality and reduced file sizes. Broadband and modem users can see streaming video with virtually no download time required.
2. State-of-the-art, proprietary technologies, enabling CD quality audio that can be listened to using any internet video player at amazingly low bandwidths, with extraordinary high fidelity sound quality and reduced file sizes.
3. A digital imaging technology creating the opportunity for full screen still images and panoramas that can be zoomed and manipulated, distortion-free, in a virtual environment with almost unlimited magnification.

Changing the Internet Landscape with iviewit Technologies

Video and Audio Streaming

Until now, the delivery of video content over the Internet was substantially text-based, and attempts to transmit video content over the Internet have been marred by long downloads, small image size, reduced frame rates and poor quality. Reducing the bandwidth time it takes to transmit files usually has meant delivering a picture that appears herky-jerky and out of sync with the sound. Providing video that is comparable with television (full motion/full screen/full frame rates), on the other hand, typically has been impossible because of the large file sizes resulting in the need for over 2 T1 lines of bandwidth to watch a single video. Trying to squeeze television-quality video files into sizes that can be transmitted on the Internet proved elusive accompanied by severe limitations, such as the requirement for costly and often unavailable bandwidth. State of the art video even for high bandwidth users (ISDN, DSL, Cable, T1 and Fiber) remained framey and out of sync.

As recently as December 1999, a leading Internet news publication, The Industry Standard indicated that the Internet speed required for Television-like quality video would not be possible until the 700+ Kbps range was reached and that “nowhere in the tech world have there been more unfulfilled promises than in the realm of next-generation television.” **iviewit's** video technologies have bridged the gap by enabling distortion-free, TV quality video frame rates with CD quality audio in the 150+ Kbps range, considered optimal for delivering broadcasts over the Internet. **iviewit's** video technologies also greatly enhance the modem users experience, providing a far richer video than previously thought possible.

Meanwhile, there is enormous content that has been created for television that is ready for conversion to an Internet application, and the proliferation of new bandwidth capacity via DSL, cable and satellite is finally providing an environment whereby **iviewit's** breakthrough technologies can easily be adopted and utilized. **iviewit** believes that there is virtually unlimited growth opportunity for its proprietary visual Internet backbone technologies. As a matter of fact, Bill Gates recently stated that “streaming media is the fastest moving part of the whole digital world.”

Imaging

iviewit's imaging process allows computer users to drive into single or panoramic images in a brand new “pan, scan & zoom” environment seamlessly magnifying on any portion of the image at zoom levels never before imagined (20:1+). This breakthrough technology will have far reaching impact as it applies to any photograph that the user wants to enhance. Applications for **iviewit's** technologies are endless.

Benefits of iviewit Technologies

The principal benefits of **iviewit's** enabling Internet infrastructure technologies follow:

- the technologies significantly enhance the image quality of any video content streamed over the Internet regardless of which media and sound player is utilized
- the technologies allow high quality video streaming in the 150+Kbps ranges, providing better product and price performance for the product delivered and a tremendously improved result at the 28-150Kbps ranges
- the image technologies enhance the ability to view photographic images on the Internet by providing incredible "scan, pan & zoom" enriching the end user experience
- improved audio stream capabilities at both high and low bandwidths

Management

iviewit has established a strong, experienced key management team, supported by a Board of Directors representing broad management and industry experience, including developing technologies, dealing with patent and business legal issues, financing start-up companies and preparing companies for IPOs. Searches are currently under way to complete the executive management team by the addition of a CEO, a CFO and a Sr. V.P. Marketing and Sales.

iviewit also has top Legal Counsel and Business Consultants who bring an extensive knowledge base, business connections and experience to the development of **iviewit**.

Market Penetration Strategy & Launch

iviewit has secured initial contract agreements with Hyatt Hotel & Resorts, Hollywood.com, Broadway.com, @merican enterprise.com, JM Lexus, Gear Magazine (Guccione Media), Great Expectations Dating Service and Kids Camps. In addition, **iviewit** is currently negotiating with major corporations such as Time Warner, Universal Studios, MGM, MTV, 3Com, Playboy, and CBS Sportsline.com. The response to the technologies and licensing cost has been positive. While **iviewit's** enabling technologies are applicable across a wide spectrum of Business to Business (b2b) and Business to Consumer (b2c) Internet sites, **iviewit** will concentrate its early initiatives in the following areas: Advertising, Entertainment, Health Care, Hotel and Resorts, Luxury Items, Executive Search, Sports, Modeling, and Dating Services.

iviewit plans to highlight its video streaming enabling technologies with high profile websites and events, tradeshows in targeted markets, and conventions. Currently the Company has established a relationship with Ellen DeGeneres, Tidal 4, Z.Com,

Hollywood.com and Broadway.com. These accounts currently provide significant branding of the **iviewit** process with watermarking, logos and personal testimonials.

Intellectual Property

iviewit has protected its enabling technologies by filing five patent pending applications in both the United States and abroad for its video streaming and imaging capabilities, covering a wide array of enabling technologies. The Company also has an additional five remaining Provisional Patent Pending applications that will be converted to patent pending status within the allowable period.

These technologies carry broad claims, where patent searching on several key components has revealed no apparent prior art or conflicting technologies. This gives **iviewit** not only strategic advantage and potential exclusivity in this space, but also the opportunity to license its proprietary technologies on a current and ongoing basis.

iviewit has adopted a two-pronged approach to building an extensive patent portfolio: (1) **iviewit** plans to continue aggressively developing and seeking patent protection for its own proprietary technologies; and (2) **iviewit** will further seek to improve upon existing technologies as these technologies come to the market.

iviewit believes that the processes underlying these inventions are unique and novel, and it has retained Foley & Lardner, one of the most reputable patent law firms in the United States to shepherd its patent development and procurement. In addition, **iviewit** has retained Kenneth Rubenstein of Proskauer Rose LLP to oversee its entire patent portfolio; Mr. Rubenstein is the head of the MPEG-2 patent pool.

Financial Summary and Investment Opportunity

iviewit has raised \$3 million of equity capital to date, including venture funding received in September 1999 from Huizenga Holdings, Inc./Investech Holdings LLC. Huizenga Holdings is controlled by Wayne Huizenga, a successful industrialist best known for starting Waste Management, Blockbuster Video, Auto Nation, Boca Resorts and the owner of major sports teams such as the Miami Dolphins football team, the Florida Marlins baseball team and the Florida Panthers hockey team.

Second round funding has been received from Crossbow Ventures/Alpine, a significant private investment fund, located in Palm Beach and Geneva. Crossbow's management includes the prior senior infrastructure of Merrill Lynch Ventures. CrossBow's industry focus corresponds to the tremendous growth that Internet-related companies are experiencing. Their well-balanced portfolio includes companies in technology, telecommunications, healthcare and environmental services sectors.

iviewit is presently seeking two investment tranches. The first and most imminent will be a \$2-3 million equity bridge leading to a significant capital raise of \$20 million to be achieved by the fourth calendar quarter of 2000.

Potential exit strategies for **iviewit** investors may include any one, or a combination, of the following opportunities: IPO, partner with a major company or acquisition.

Strategic Business Plan

Company

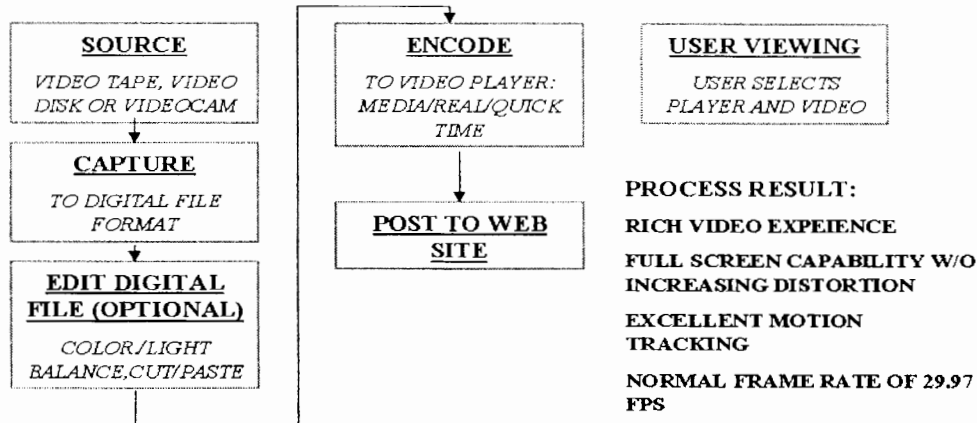
iviewit Holdings, Inc. located in Boca Raton, Florida, was formed in July of 1999 under the laws of the state of Delaware. **iviewit** was formed to research, develop, license and sell its enabling proprietary Internet based visualization products and services to the e-commerce market through it's wholly owned operating subsidiary **iviewit.com, LLC**.

Over the past year, **iviewit** has confirmed the efficacy and reliability of its technologies for commercial exploitation, initiated digital imaging production, established a demonstration web site, developed initial key management infrastructure and hired an initial sales staff. The Company publicly launched its platform technologies early in 2000, and, as of May 2000, has initial high profile customers that have confirmed the commercial value of **iviewit's** technologies. **iviewit** is presently seeking additional financing to support further commercialization and realize the full potential of its products and technologies.

Product Applications

iviewit's impressive visual media products are the result of several years of development focused on the entire process of image/video delivery over the Internet. Care has been taken to be platform agnostic to preserve the broadest possible range of applications and retain the highest viewing audience. **iviewit's** suite of video and imaging technology processes work across all industry platforms, meaning that **iviewit's** video process will enhance and work with Microsoft's Media Player, Apple Quicktime and Real Networks players. **The result is industry leadership products that do not require special downloads or equipment.** A recent survey indicated that over 90% of site visitors simply "move on" when required to download special software to view pages content. **iviewit** processes are proprietary and protected as Trade Secrets and Patent Pending applications filed with the U.S. and International patent offices. While video streaming and imaging are treated separately, it should be noted that they are complementary both from a process point of view and from a customer perspective. Many potential markets have both requirements such as the entertainment industry, resort and hotel industry and the health care industry. **iviewit** views the combination of these products as a suite to be an integral part of its sales portfolio.

iviewit Streaming Video Process



7/21/2000

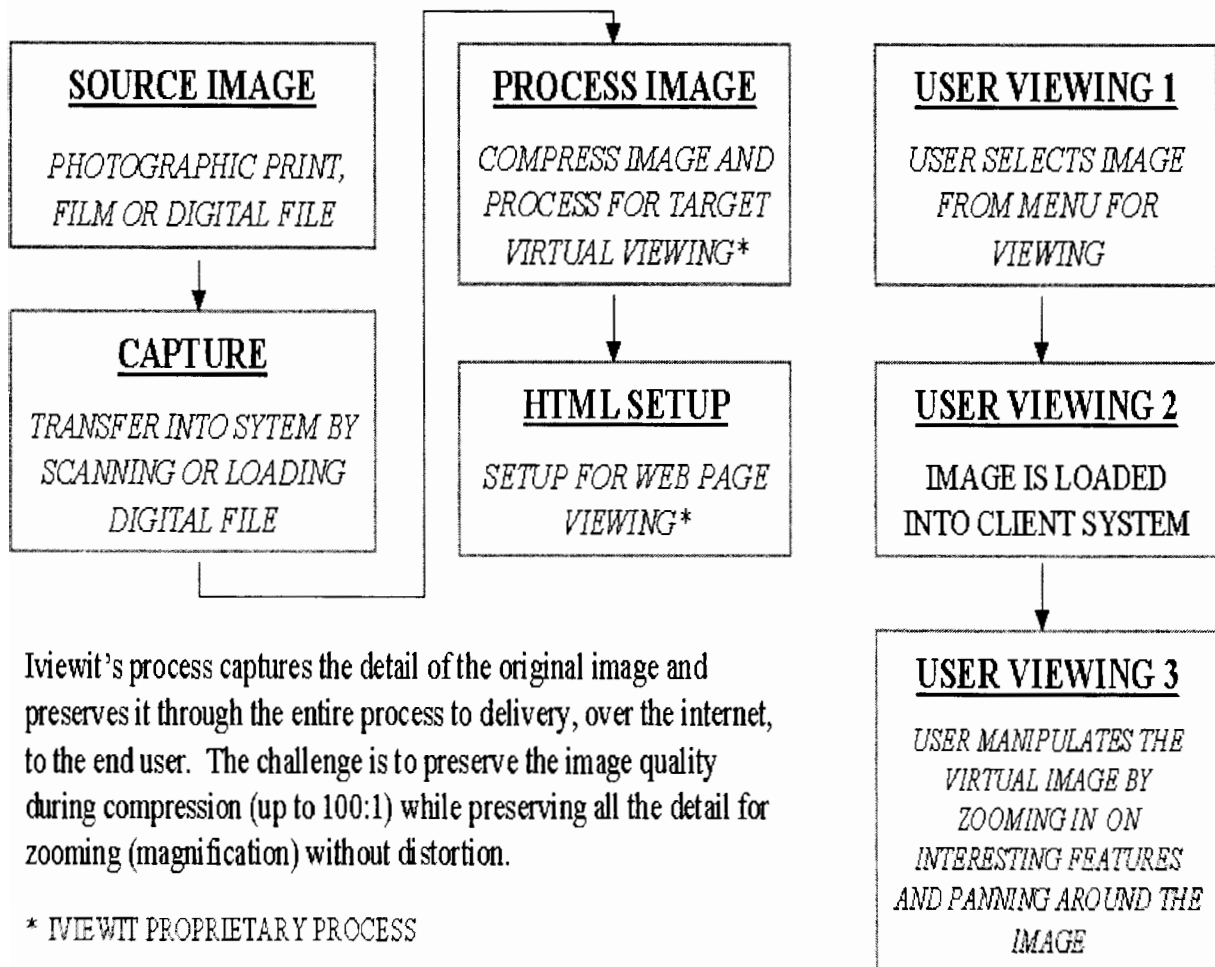
IVIEWIT CONFIDENTIAL

Streaming video is the most exciting form of content distribution over the Internet and has challenged the industry since its inception several years ago. Current processing techniques do not provide solutions for clear, full TV frame rate, full motion, full screen streaming video at 150+ Kbps. **iviewit** has developed encoding solutions that do provide for full motion, full frame rate, full screen streaming video at speeds ranging from 56-150+ Kbps. These competitive advantages are at the core of **iviewit's** market opportunity.

Capturing high action and motion in Internet video has been a particular challenge because the image refresh process tends to produce highly distorted pictures. **iviewit** has succeeded in producing near TV quality video over broadband networks and has significantly improved modem results. These results are obtained while minimizing the bandwidth and file sizes required for streaming the video event, a significant economic consideration.

Internet ready streaming digital files are produced from virtually any source creating NTSC (US) compatible or IEEE 1394 firewire interfaces. Other modality such as PAL or SECAM can be accommodated. The output digital files are Microsoft Media Player, Apple Quicktime or RealNetworks RealPlayer compatible. Multiple files are produced for both modem and broadband use. **iviewit's** processing times range from an astonishingly low 3 to 6 times the playtime of the video. The proprietary process is extendable to include video acquisition; even though this phase is not a pre-requisite, improvement in final video quality is attainable by using **iviewit's** total video process.

iviewit Virtual Imaging Process



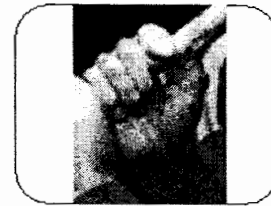
Iviewit's process captures the detail of the original image and preserves it through the entire process to delivery, over the internet, to the end user. The challenge is to preserve the image quality during compression (up to 100:1) while preserving all the detail for zooming (magnification) without distortion.

* IVIEWIT PROPRIETARY PROCESS

7/24/2000

IVIEWIT CONFIDENTIAL

iviewit Virtual Imaging Process



Above left is an example of an original picture. The center image portrays the view on a PC monitor on the internet receiving the picture. Above right the user has zoomed in on the hand position of the batter. The picture has not lost any clarity because of the zooming. To the right the user has panned across the picture to view the batter's head without having to re-trace steps back to the full image.



The process to provide perfect clarity while maintaining the ability to zoom and pan is the heart of iviewit's image patent applications.

7/3/2000

IVIEWIT CONFIDENTIAL

iviewit offers a wide range of "over the web" high quality, full screen imaging technologies. Images processed by **iviewit** can be viewed with extraordinary zoom and within panoramic environments of up to 360 degrees. Images produced by **iviewit's** proprietary process are identical in quality regardless of the end-user's Internet connection speed. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. Output file sizes typically range from 30KB to 400KB for a full 360-degree panorama. . Source material may be conventional emulsion type film or digital and the process requires no special costly camera equipment compared to similar web imaging. Special photographic techniques are employed to ensure the final quality of the process. Unlike conventional web-ready images that become severely distorted after magnification attempts of just 1-2 times, **iviewit** processed images are especially resistant to pixel distortion even when zooming in to obtain screen magnification levels of 20:1+. **Real 3D®, Inc.** engineering teams have reviewed the imaging process and results, and the comment from their review was "superb", "cool" and "elegant".

These are the types of digital images that **iviewit** can create with its "scan, pan and zoom" technologies:

- **Single shot** - A single photo frame. Used for simple flat scenes or objects with depth imaging

- **Single shot “Pan, Scan and Zoom”** – A single photo frame with the ability to zoom into the picture for magnifications of up to 20X
- **Quarter “Scan, Pan and Zoom”** - Typically 3 photo frames stitched together to provide a wide perspective and up to a 90 degree camera sweep angle
- **Half “Scan, Pan and Zoom”** - Typically 6 photo frames stitched together to provide up to a 180-degree panoramic camera sweep angle
- **Three quarter “Scan, Pan and Zoom”** - Typically 10 photo frames stitched together to provide up to a 270-degree panoramic camera sweep angle
- **Full “Scan, Pan and Zoom”** - Typically 13 - 16 photo frames stitched together to provide up to a 360-degree panoramic camera sweep angle

Revenue Strategies for Video and Imaging Products (Licensing and/or Service Models)

The Company intends to leverage its core technology to the Internet, and to markets with closed infrastructures, such as the cable television and video-on-demand industries. In order to maximize its first-to-market advantage and secure the greatest possible penetration, **iviewit** has elected to pursue a technology licensing and partnering strategy, primarily targeting the major streaming media and digital imaging distributors.

The greatest potential for **iviewits** technologies will be in digital content servers for two fast-growing market segments - Internet infrastructure for serving streaming media and video-on-demand (VOD).

iviewit intends to create a profitable, recurring revenue base by licensing its platform technologies or performing the following services for customers:

- ***Technology Licensing to Parallel Markets***
- ***Site Licensing for the Distribution of Product Processed by iviewit*** - Each site distributing **iviewit** visual media product must license the technologies. The licensing fee will be collected up front as an annual fee and there may be additional royalties due within each annual licensing period for expanded use of the product.
- ***Image and Video Processing*** - There is an option between basic processing and edited content processing for a higher quality output. Priority and standard time processing is provided. Priority processing guarantees a next day delivery via file transfer protocol to the customer or posted to the **iviewit** website. Standard delivery is within 5 working days.
- ***Web Hosting of Image and Video Content, Linked to a Client’s Site*** - This service will be for content owners who do not have the server capacity to store or stream their content and will not be applicable to all clients. This is an extension of the current web site. Seamless linking is a well-established Internet technique and has been validated by **iviewit** testing with prospective customers. Since this is not a core part of its business model, **iviewit** is investigating the option of hosting services through strategic alliances.

- **Photographic or Video Recording Services** - **iviewit** has a national arrangement retaining the services of a large number of professional photographers and video producers in order to handle customer requirements.
- **Web Site Creation and Hosting** - Professional designer support is available through **iviewit's** subcontract with **Real 3D®, Inc.** and other web site specialists.

Future Product Developments

iviewit's goal is to maintain a leadership role in visual technologies and continued research and development will be deployed to this end. **iviewit's** product output will stress user friendliness, superior picture quality and effective presentation for the experience by the end user. New markets will include hardware and software applications that will embrace these platform technologies.

Extensions of the current technologies are planned to provide similar improvements in videoconferencing. Early testing has validated the feasibility of these extensions and funding will provide the resource necessary to complete the development work. It is estimated that products could be ready to market within 6–9 months from funding. Also, a TV interface adapter, which allows a PC monitor output to be connected to a TV set, is currently available. Using a TV this way further enhances the quality of the video since a TV set is optimized for displaying video images. This has paved the way for a new era in Pay-Per-View distribution across the Internet.

Industry Analysis

Broadband Industry

The transmission of data intensive content over the Internet has been limited due to both technological and bandwidth constraints. However, the increasing availability of improved delivery systems, such as digital cable modems, T-1 lines, satellite delivery systems and DSI

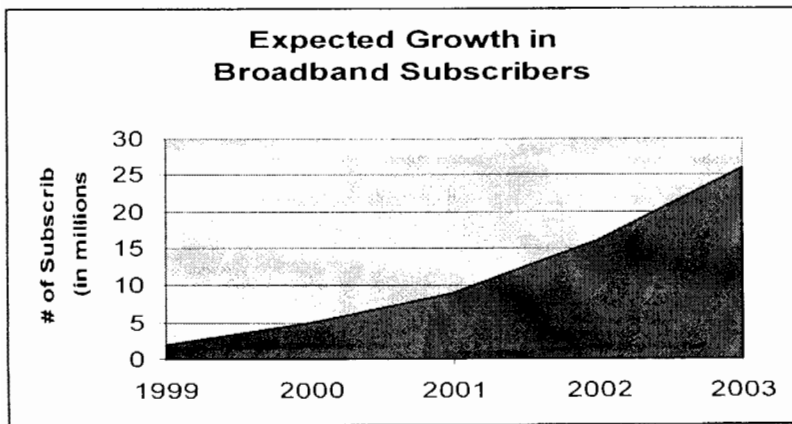


Chart 1.0 – Forrester Research and Broadband Intelligence

networks are enabling the use of more feature-rich multimedia content. Even at these higher bandwidth speeds video quality remained poor until **iviewit** developed processes that allowed users at these speeds TV quality video streaming. These broadband systems typically allow sustained

data transfer to the user of at least 256 kilobits per second, or approximately 5

times the access speed of the fastest standard narrowband modems.

US cable modem subscribers are expected to increase to 3.3 million in 2000 (up from 1.6 million in 1999). DSL customers (serviced by phone companies) will nearly triple to 1.4 million in 2000 from 500,000 in 1999.¹ And the total number of broadband subscribers by the end of Year 2002 and 2003 is expected to be 16 million and 26 million, respectively.²

The broadband industry is drawing billions of dollars in capital investments to develop the necessary infrastructure for broadband content and delivery. The cable companies are massively marketing this existing user base to include broadband access. Similarly, the telephone companies are upgrading their lines to offer DSL access. In addition, major hardware manufacturing companies, application developers and content providers are racing to be the de facto standard for broadband delivery.

Streaming Media Industry

Multimedia streaming technology is bringing new levels of versatility, quality and simplicity to the creation and distribution of multimedia content over the Web. One measure of the growth in use of streaming media is the number of registered users posted by RealNetworks, a company that develops software used by broadcasters to stream multimedia content over the Internet. The first RealPlayer was released in 1995, and to date, over 80 million unique users have been registered. The RealPlayer download rate now exceeds 175,000 per day, an increase of more than 270% since the beginning of 1997.

The emergence of rich multimedia capabilities, such as streaming audio and video, will continue to enhance the effectiveness of the Web as a mass communications medium and Intranets as a means to improve corporate communications. Content delivered through traditional media, such as television and radio, will increasingly be augmented by delivery over the Internet.

Digital Imaging Industry

Companies are rapidly adopting the use of digital imaging to effectively promote their products on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites; however, most of the images remain flat two-dimensional images offering a limited field of view. Technological innovations that enhance realism and interactivity and contribute to a viewer's retention to that web site will facilitate the success of e-commerce by leading to increased sales and advertising rates. Specifically, immersive imaging, or the ability to enjoy the viewing perspective of being inside the image, is becoming increasingly popular with many web sites and webmasters. However, image creation with many of

¹ Broadband Intelligence July 1999

² Forrester Research

the existing immersive technologies is labor intensive, produces poor visual quality and requires proprietary hardware and software. As a result, market acceptance of these technologies has been limited. Until **iviewit's** digital imaging process the users ability to zoom into a picture or virtual reality environment was limited due to pixel distortion.

In order for widespread adoption of immersive imaging by businesses and consumers to occur, new immersive technologies must compete with **iviewit** standards such as:

- Ease of creating and viewing an image
- Ease of distributing and sharing the image
- “Scan, Pan and Zoom” Capabilities
- Cost effectiveness
- Use of standardized technology
- Platform independence

Market Opportunity

Initial Marketing Strategy

iviewit has elected a two-pronged strategy to initially market its technologies. The first stage is to target high profile intellectual property owners and distributors, as clients, to encode their images and videos then watermark those images with **iviewit's** logo. The second stage will capitalize on the many opportunities to co-brand with world-renowned stars and clients interested in bringing marquee events to the Internet medium. As a prime example, Ellen DeGeneres has produced a three-minute video endorsing **iviewit** as the premiere video streaming company, and Hollywood.com has allowed for video clips of movies to be streamed with an **iviewit** watermark and logo branding.

The Company has developed a marketing plan and detailed budget to develop key business segments. The elements of that plan include: (i) a national print media campaign targeting corporate decision makers for encoding images for commercial websites; (ii) a national b2b Public Relations campaign designed to build awareness and demand for the **iviewit.com** imaging technologies targeting the streaming media and digital still imaging markets; (iii) a trade show plan specifying the number of shows and conventions the Company must attend to promote its imaging technologies and an accompanying plan detailing how the Company will effectively present its technologies at those shows; (iv) sales collateral materials to support the sales force; (v) a plan for branding exclusive internet video events to highlight the Company's technologies and turbo-charge its public relations efforts; and (vi) an execution strategy to upgrade **iviewit's** web site to promote its technologies and support its customers.

The company has budgeted several million dollars in marketing expenditures to undertake these marketing activities, **iviewit** has initiated a search for an advertising/new media agency and a public relations agency with demonstrated competence in the b2b technology space to assist the company in developing and implementing the marketing plan. The Company currently retains a leading Publicist in the entertainment industry.

Strategic Alliances

Real 3D®, Inc.

iviewit has established a strategic partnership with **Real 3D®, Inc.**, the premier supplier of 3D graphics technology in the world and holder of more than 40 patents in 3D visualization technology. **Intel has recently acquired Real 3D®, Inc.** **Real 3D®, Inc.** is providing hosting, serving and technology enhancement services to **iviewit**. **Real 3D®, Inc.** has participated in the technology evaluation phase of **iviewit's** proprietary Imaging and Video Streaming products, and they have stated: **“Real 3D®, Inc. has found iviewit’s web-based products to offer an extraordinary high-resolution panoramic view capability that can have many uses in the e-commerce arena.”**

Medical OnLine Inc. (Mediol.com)

iviewit has established a strategic relationship with Medical Online (Mediol.com), which is a leading Boston based internet service and data provider offering a unique search engine that provides easy access to clinical and diagnostic data for doctors, hospitals, insurers and patients worldwide. The purpose of this relationship is to facilitate the handling and delivery of healthcare information with high quality imaging and streaming video capabilities. **iviewit's** technology was chosen by Medical Online to provide a more effective and timely delivery of imaging and healthcare information including the possible addition of MRI's, CT scans and other pertinent data for physicians and leading hospitals. This strategic alliance is expected to provide a more effective means of medical diagnostic evaluations for the treatment of patients. Mediol's mission is to give patients, physicians, and hospitals easy access to an extensive online database of clinical diagnostic data compiled from a number of the world's preeminent medical institutions. With the help of the Medical OnLine search engine, users have the luxury of matching current diagnostic images and graphs with similar or identical archival records, complete with clinical information on each case. Using this data, doctors accomplish better clinical evaluations and create more effective treatment therapies regarding a patient's condition while patients acquire the information they need to take control of their healthcare.

DSI, Inc.

Most recently, **iviewit** has signed an agreement with DSI, Inc., a global provider of video and photography services to provide corporate clients turnkey production, and **iviewit** image & video processing for the Internet. DSI was formerly "ZipVideo" and has a network of photographers and video professionals covering every zip code in the U.S. and Canada as well as other international countries.

DSI recently contracted with Dovebid (one of the largest b2b auction websites) to be the sole provider of video and photography services to Dovebid's corporate clients. DSI and **iviewit** will co-market services to provide full-service production and processing as well as **iviewit** processing solutions for Dovebid clients.

DoveBid, Inc. is a leading business-to-business on-line marketplace for capital assets (currently, 19 industrial categories) featuring Webcast auctions and value-added services. With millions of dollars of business assets available for sale, a regular schedule of Webcast auctions, and an extensive base of large corporate customers, DoveBid is creating a liquid, global market for capital assets.

DoveBid has conducted over 3,000 *industry-specific* auctions throughout the world selling over 10,000,000 individual lots. Buyers from Santa Clara to Singapore have responded by purchasing over \$5 billion in assets.

Markets for Video Streaming and Digital Imaging

Streaming media is now the most widely used application, after browsers and online programs like AOL, on the Internet... and it is growing exponentially. Microsoft's Media Player, RealNetworks player and Apple's Quick-Time player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, *on demand*.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies mentioned above. **iviewit's** suite of technologies will positively affect and benefit all of these parties.

- **End Consumers for Video and Audio Streaming**– For consumers who have a broadband “pipe” in their homes, streaming video is the “killer application.” The promise of rich visual content defines the reason for paying between \$40 - \$50 per month for the increased bandwidth. It means that consumers can *see* the entertainment, news, product commercials, infomercials and education videos they want - at near TV quality. That promise will be maximized by the proliferation of content delivered through and with **iviewit**. The companies responsible for providing the infrastructure for broadband recognize the importance of promoting enabling technologies and driving media-rich content to the web. Their paradigm has shifted to include content creation as a significant element of their overall strategy. Greater availability of quality content on the web will increase demand for the pipes necessary to view it.
- **Business to Business (b2b) E-Commerce Sites for Video and Audio Streaming** - For b2b e-commerce sites, **iviewit's** technologies will provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product

manuals through **iviewit's** proprietary system, business e-commerce sites can leverage their video and image investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality visual experiences. Licensing these b2b sites will be a primary market focus for **iviewit's** technologies.

- **Intellectual Property Owners of Video and Audio Content** - For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues etc., **iviewit's** technologies means that *video streaming can finally become a revenue source*. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for the small screen, grainy content prevalent on the web today, and the pipeline required for serving these files is expensive. **iviewit's** technologies provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and reducing the digital stream size required to serve them. These solutions are at the core of **iviewit's** competitive market advantage.
- **Digital Imaging** - Companies are increasingly using digital imaging to promote their products and present information on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat and two-dimensional offering a limited field of view. The Company's immersive imaging (the ability to create the viewing perspective of being inside the image) is becoming increasingly popular with many web sites across all industries. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. **iviewit** processed images are especially resistant to pixel distortion even when zooming in to obtain screen magnification levels of up to 20:1+.

In summary, the market potential for **iviewit's** technologies is enormous. **iviewit** will engage in a high profile launch campaign designed to build awareness for its technologies with all the key market influencers and then concentrate on a licensing program to populate its technologies among b2b and b2c Internet sites.

Market Penetration

iviewit has identified various markets to target with its imaging and video streaming technologies. **iviewit** has already begun to sell its technologies to various corporations and is currently in negotiations with the following potential clients.

CONTRACTED ACCOUNTS**PENDING ACCOUNTS**

• <u>Hollywood.com</u>	• Time Warner
• <u>Hyatt Hotels & Resorts</u>	• 3Com Corporation
• <u>Gear Magazine/Guccione Media</u>	• Playboy.com
• <u>Ellen DeGeneres</u>	• MTVi/Viacom
• <u>J.M. Lexus</u>	• Alliance Entertainment
• <u>Atlas Entertainment/Tidal 4</u>	• Healthon/WebMD
• <u>Boca Resort & Beach Club</u>	• MGM
• <u>Broadway.com</u>	• Greg Manning Auctions/Amazon
• <u>@merican enterprise.com</u>	• Universal Studios
• <u>KidsCamps.com</u>	• Broadbandsports.com
• <u>Great Expectations/KISMET</u>	• Healthstream
• <u>Medical Online</u>	• CBS Sportsline.com
• <u>Z.com</u>	• Versifi
• <u>Lovemate</u>	• Zentropy Partners
• <u>Sitesnet.com</u>	• Inter@ctivate
• <u>Dovebid/DSI</u>	• Ezlinksgolf.com
• <u>www.centrack.com</u>	• Machineweb.com

Video streaming and still image enhancement are nascent markets and there are no benchmarks for pricing **iviewit**'s proprietary technology enhancements. **iviewit** realizes that the needs and budget for each customer and indeed across industries vary tremendously. In response to this, **iviewit** may need to specially draft and negotiate a licensing contract with each customer, until such time as industry and **iviewit** licensing standards have been developed. **iviewit** has retained top licensing counsel with Foley & Lardner to facilitate this process

Therefore, **iviewit** has based its licensing strategy and product penetration on the following information:

- **iviewit**'s contract negotiations with current clients
- **iviewit**'s understanding of what companies (cost effectively) are willing to pay for these technologies, including the business economics of a given industry

Pricing Model – Video Streaming

iviewit will require an annual license to process a video source into an **iviewit** file to be streamed over the Internet. The licensing fee will depend on the number of video/audio

streams and digital images that the customer uses for its web site. The rationale behind this is that the license fee should be greater if the technologies are being used and exploited by a larger number of users. And generally, web sites that have larger number of users require additional distributed servers. **iviewit** has decided to use distributed servers as a usage benchmark (instead of number of hits to the web site streaming the video) because of the ease in benchmarking the fee to clients in this manner.

iviewit charges a per minute fee for the processing of the video. Depending on the needs of the client, the processing of the video will vary. For example, an advertising agency focused on optimizing 30 and 60 second spots will have vastly different requirements than a worldwide hotel chain with three to five minute infomercials on each property. Additionally, there are different levels of processing costs associated with the image quality required by the client. For a client that does not require frame by frame analysis of its video (i.e. a video segment on a local community college), the amount of labor to process the video is minimal and the charge is \$5 a minute to process for each platform and speed. Typically, customers request high and low bandwidth across all three of the major players resulting in a \$30 per minute fee. For clients who require editing for their video, **iviewit** charges incremental fees priced to account for the time and labor involved.

Although not a core part of its business, **iviewit** will offer video hosting for those clients who need a complete video streaming solution. The monthly storage, database maintenance and serving fee is based on the number of gigabytes hosted by **iviewit**. **iviewit** sees this pricing model as part of its overall plan to identify and “brand” itself as a total solution service-oriented business for its clients. **iviewit** may outsource this service with several partners according to the scope and scale of the client requirements.

Pricing Model – Digital Imaging

iviewit will require an annual license fee to process still images to a zoomable and/or panoramic **iviewit** digital image. The licensing fee increases with additional distributed servers used by the customer.

iviewit will offer a turnkey suite of services to its customers that include: capturing, processing and hosting the images. In addition to the per image processing fee, **iviewit** will also charge a monthly fee for the number of images served.

Competitive Analysis

Streaming Media Competition

Three recognized companies processing video for streaming are Loudeye Technologies, Inc., Sonic Foundry, Inc., and Microcast, Inc. All of these companies are in their infancy (even though Loudeye and Sonic Foundry are public) and all typically encode streaming video and/or audio using standard, commercially available technology.

In addition, many businesses have resorted to in-house encoding for a variety of reasons including: lack of available services, little or no advantage to using available services or specialized requirements such as response time, or proprietary content. **iviewit** service and licensing offerings provide solutions to these companies not previously available. A complete matrix follows demonstrating **iviewit's** competitive advantages over other companies in the streaming media space.

Video Technology Comparison Chart

Company	Links	Streaming Video Customer Processing Business Model	Intellectual Property Broadband Video Content Creation Platform Claims	Streaming Video Intellectual Property Claim Areas
Iviewit	<u>iviewit website</u>	Licensing & Service	YES ²	Platform Technologies for full-screen, full frame rate content creation
Loudeye	<u>Hoovers</u> ^a Loudeye Website	Service Only	NO	My Slide Show
Sonic Foundry	<u>Hoovers</u> ^b Sonic Foundry Website	Service Only	NO	Encoding Automation
VideoDome	VideoDome Website	Service Only	NO ¹	Encoding Automation
Microcast	Microcast Website	Advertising Revenue Share	NO	Browser Video Frame

Video Competitor Analysis

^a Loudeye Technologies has a Web-based MediaUpgrade software that converts audio and video content from such varying formats as AVI, VHS, Quicktime, and WAV to a variety of streaming media formats for Web publishing. Its MySlideShow application is used to make streaming online presentations using both images and sound. Loudeye (formerly Encoding.com) also offers encoding, project analysis, application development, and hosting services.

^b Sonic Foundry makes software for creating, manipulating, and storing digital audio and video data. Its ACID suite enables users to arrange and play back looped sound samples using a PC.

¹ VideoDome claims IP for video processing that speeds up the conversion time by automating the digitizing process.

² **iviewit has Enabling Platform IP for broadband and lowband specific video processing that enables full screen, full motion video at 150+kbps.**

Digital Imaging Competition

Interactive Pictures Corporation, Ulead Systems, Inc. and MGI Software, Corp. are recognized companies providing imaging for the Internet. The result of **iviewit's** Intellectual Property (Trade Secrets and Patents Pending) advantage is that no other company in the e-commerce imaging space has the ability to display a single image file with high resolution, distortion free “scan, pan and zoom” functionality without the viewer obtaining and installing special software. With **iviewit's** imaging process, the e-commerce solution achieves the highest resolution image quality upon zooming, enabling virtually high resolution zooms under extraordinary magnifications. **iviewit** currently has the largest full screen virtual imaging capability of any company in this space. The following table outlines the key distinctions.

Imaging Technology Comparison Chart

Company	Image Screen Size	Single 360° Zoom	Single Still Zoom	Panning Ability	Simultaneous Zoom & Pan	Virtual Image	Pixelation Upon Zoom	Image Distortion
IPIX-original	small	YES	NO	Up, Dn, Lt, Rt	YES	YES	YES	YES, warping, and “fishbowl” effect
IPIX-bamboo	mid size	NO	NO	Lt, Rt	NO	YES	No zoom available	YES
MGI Software	small	NO ¹	NO	Up, Dn, Lt, Rt	NO ¹	YES	NO	NO
Ulead	small	NO	NO	Up, Dn, Lt, Rt	NO	YES	YES	YES, wavy upon panning
Iviewit	Full	YES	YES	Up, Dn, Lt, Rt	YES	YES	NO	NO

Table 2.0 – Imaging Competitor Analysis

¹ MGI single image zoom files require special plug-in downloads. The universal viewer (viewed through standard browsers) Flashpix format only feeds individual straight JPEGs with no pan or zoom functionality.

iviewit's Competitive Edge

iviewit is not the only company to provide video/audio streaming and immersive imaging solutions although it is important to understand that **iviewit** has proprietary processes that differentiate it from other providers. The development of **iviewit's** proprietary technologies and techniques has been the focus of the Company's patent portfolio.

iviewit's proprietary technologies have been designed to utilize and take advantage of the burgeoning availability and use of broadband (100-700 Kbps spectrum) using existing user browsers and players (e.g., Real Player, Media Player and Quick Time); other known efforts at video/audio streaming and imaging that were developed for these bandwidths produced results associated with dial-up modem capabilities. **iviewit** technologies have accomplished previously unachieved quality and features in streaming audio and video, with the intent and capability to drive these advantages downward (from the "sweet-spot," or most efficiently used broadband zone: 150+ Kbps) to the dial-up range. The result is improved quality even at low bandwidths. In comparison, the competition's attempts to improve the quality of streaming video have resulted in significant limitations and compromises such as; reduced frame rates, small screen display and herky-jerky video with "kung-fu" movie-like audio

Barriers To Entry

iviewit is the first and only company to provide video streaming that delivers a rich video experience with virtually distortion-free, full screen capability at normal, TV- equivalent frame rates of 29.97 fps (frames per second).

Similarly, **iviewit** is the first and only company to provide virtual imaging that preserves and delivers full image quality and detail of the original image - without distortion - not only during compression (up to 100:1), but also through high resolution zoom and magnification.

- These technical breakthroughs, and their commensurate features and benefits, comprise **iviewit's** Patent portfolio and Trade Secrets, constituting a significant Barrier to Entry to others, while also giving it *First Mover Advantage* in the marketplace
- The proprietary technologies inherent in **iviewit's** portfolio, together with the mathematics required and the algorithms developed to achieve these results, have been translated to provide the underpinnings for the profound intellectual property potential inherent in **iviewit's** patents pending, also constituting a significant Barrier to Entry
- In accomplishing these technical breakthroughs, **iviewit** has accomplished what engineers previously thought unachievable under current bandwidth limitations. **iviewit's** two-year development investment gives it significant lead-time in this space providing a significant competitive advantage in development time.
- The early customer validation that **iviewit** has enjoyed (as outlined in the Market Penetration section) will generate and enable additional market momentum, not only establishing **iviewit's** breakthrough technologies as unique, but also underscoring and confirming it as the Gold Standard for video/audio streaming and imaging over the Internet. This also creates a significant Barrier to Entry.

Financial and Investment Opportunity

Over the past year, \$3 million of equity capital has been invested in **iviewit**. The early investor is Huizenga Holdings/Investech Holdings LLC. Wayne Huizenga was the CEO of Waste Management and Blockbuster Video before founding Republic Waste Services and AutoNation. Another recent investor is Crossbow Ventures/Alpine, a significant private investment fund, located in Palm Beach and Geneva.

iviewit is presently seeking two investment tranches. The first and most imminent will be a \$2-3 million equity bridge leading to a significant \$20 million capital raise to be achieved by the fourth calendar quarter of 2000.

The funds raised will be used to recruit additional management infrastructure and support staff, expand market applications of **iviewit's** proprietary visual infrastructure Internet technologies, scale up additional equipment necessary to support additional customers and generally fund the Company until its expected break-even in 18 months. Once break-even occurs, **iviewit** rapidly begins generating strong cash flow and high gross margins. At the end of FY Two, **iviewit** is projected to be licensing and supplying its video streaming technologies to about 400 customers and its imaging technologies to approximately 450 customers. Full projections for the second year post funding, based on a \$20 million raise, call for sales of about \$21 million, gross margins of approximately 79% and EBITDA of approximately \$3 million. For year three, revenues are expected to achieve \$45 million per annum, gross margins of approximately 81% and EBITDA over \$15 million.

Potential exit strategies for **iviewit** investors may include any one, or a combination, of the following opportunities: IPO, partner with a major company or be acquired.

Management Team

Officers

Brian G. Utley, President - Mr. Utley comes to **iviewit** from a very significant career in the computer industry. For over 30 years, he was responsible for the development of and world-wide management of many of IBM's most successful products, such as the AS400 and the PC. Entering IBM's executive ranks in the early 1980's, Mr. Utley's impact was felt in all areas of that Company's advanced technology product development, including Biomedical Systems, European Operations and, very significantly, IBM's launch of the PC. Following the U.S. introduction of the PC, Mr. Utley moved to Europe where he was responsible for a number of IBM's overseas activities including product development, product management and market development, the most notable of which was managing the launch of the PC across Europe and the Middle East. His career with IBM culminated with his responsibility as Vice President and General Manager of IBM Boca Raton with a

work force of over 6,000 professionals. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results.

Michael A. Reale, Vice President of Operations - Mr. Reale carries extensive operations and executive management experience, which will enable **iviewit** to develop a well organized and efficient production capability. Mr. Reale began his career with IBM where, over twenty years, he advanced through several production process managerial functions, culminating as Director of Manufacturing for their Personal Computer Division. Following his tenure with IBM, Mr. Reale joined SCI Systems, Inc., a Fortune 500 electronics contract manufacturer, as Senior Vice President, where he was responsible for seven operations both in the U.S. and overseas. Following SCI, Mr. Reale spent two years as President of MGV Manufacturing Corp., a premier provider of computer memory assemblies with operations in the U. S. and Europe, where he increased sales by 200%. Most recently, Mr. Reale filled successive executive positions with Boca Research, a publicly owned manufacturer of personal computer enhancement and Internet thin client products, where he progressed to and became COO. The particular value-added skills that Mr. Reale brings to **iviewit** encompass operations experience at all levels of an organization, including P&L responsibility, quality and delivery performance accountability.

Raymond T. Hersh, Chief Financial Officer – Raymond T. Hersh recently has been a private investment banker, specializing in the strategic development of emerging companies. He has over thirty-five years of successful business and operating experience involving financial services, telecommunications, manufacturing and corporate strategic planning. Most recently, he was co-founder and President/CEO of a telecom start-up specializing in providing healthcare information. For over twenty years, he successively grew two Florida-based specialty manufacturing companies from combined revenues of about \$2.7 million to over \$19 million, acting as President/CEO and Executive Vice President/Chief Financial Officer, respectively. Previously, Mr. Hersh spent nine years as an investment banker in New York City where his last position was as President of a member firm of the New York and American Stock Exchanges. Earlier, he spent five years as an Enforcement Attorney with the U. S. Securities and Exchange Commission in New York City where he exited as a Branch Chief. He is a member of the New Jersey and New York Bars.

Eliot I. Bernstein, Founder and Chief Technology Officer - Mr. Bernstein, is a graduate of University of Wisconsin, specializing in computer science and with a B.S. in psychology. Prior to founding **iviewit**, he spent 15 years creating and developing many innovative, computer- based multi-media marketing tools, which remain in use supporting multi-billion dollar service industries. In 1998, Mr. Bernstein chose to advance these multi-media development tools to new and previously unachieved heights creating the high impact visual applications for the Internet that have become **iviewit's** core enabling technologies. In developing these technologies, Mr. Bernstein adopted a vision that combined his passions for photography and video with a burning desire to see

the Internet evolve from a text-based medium to a visually elegant tool. As Chief Technology Officer and the principal inventor of **iviewit's** proprietary technologies, Mr. Bernstein oversees the continuing development and new applications of **iviewit's** core visualization technologies in addition to developing complementary and emerging technologies. He is committed to insuring that **iviewit** achieves and maintains its leadership position as the standard for audio/visual and imaging technologies.

James F. Armstrong, VP of Sales and Marketing – Mr. Armstrong graduated Northwestern University with a major in Economics and Business. Mr. Armstrong has also received a Certified Investment Management Analyst degree from the Wharton School. He subsequently founded and operated The Armstrong Group, Ltd. The Armstrong Group is a financial planning, insurance consulting and sales firm targeting the corporate executive and high net-worth markets. He has developed marketing materials, formulated policies and procedures and has recruited and supervised a national network of planning and sales specialists for Prudential Securities. In addition, he has experience in building a sales infrastructure for a start-up companies. Mr. Armstrong's extensive knowledge of computer hardware and software applications have served him well in his previous responsibilities, and, together with his broad business experience, uniquely positions him for this leadership role with **iviewit**.

Board of Directors

Brian G. Utley, President

Eliot I. Bernstein, Founder & CTO

Donald G. Kane – Mr. Kane is President of GDI, a privately held holding company that controls 4 business-to-business Internet companies. Prior to joining GDI, Mr. Kane was a Managing Director in the Investment Banking Division of Goldman Sachs & Co. During his fourteen-year career at Goldman Sachs, Mr. Kane created the firm's Midwest Financial Institutions practice and founded a Global Financial Institutions Technology Group. He is a Board member and Vice Chairman of Sagence Systems, Inc., a GDI company and is a member of the Board of Versifi, Inc. and Ergo Systems. Mr. Kane is an advisor to Signcast, Inc., Gryphon Holdings and Capita Technologies. He is a member of the Kellogg Graduate School of Management Advisory Board at Northwestern University and is a member of the Board of the Metropolitan YMCA of Chicago.

Kenneth Anderson - Ken Anderson brings over 20 years of experience in the financial services world to his recent move to Jim Clark's new start-up myCFO. Prior to joining myCFO, Mr. Anderson served as a partner in Arthur Andersen's private client services practice where he created the family wealth and financial planning practice for the southern California practice. He focused on estate and income tax planning for high net worth individuals and families. Mr. Anderson has significant experience in compensation, insurance, and business succession consulting.

He is a board member of the Idyllwild Arts and Boy Scouts of America, Western Council. Ken is a founding member of the Family Business Program at the University of Southern California. He served as director of the Society of CPA/Financial Planners, was a member of the California CPA Society Committee on Personal Financial Planning. Mr. Anderson is on the Board of Directors of **iviewit** and Schaeffer Autosimulation, LLC. Mr. Anderson holds a BS in accounting and economics from Valparaiso University and a JD with an emphasis on taxation from the Valparaiso University School of Law.

H. Hickman Powell, Director – Prior to joining CrossBow Ventures, Mr. Powell spent 14 years as an investment analyst and corporate finance advisor. He worked with McKinsey & Company and J.P. Morgan Investment Management, both based in London. Among his primary areas of expertise are technology research and economic research, including electronics, telecommunications and computer software. Most recently, he was Senior Technology Analyst and Vice President of Southeast Research Partners, Inc. where he worked with leading technology companies. He earned a bachelor of arts degree at Yale University and a master of business administration degree at Stanford University.

Maurice R. Buchsbaum, Director – Mr. Buchsbaum has engaged in corporate finance projects as a principal, advisor, consultant, officer, director or senior managing director for the past 27 years. As a partner or senior officer of several leading investment banks (including Drexel Burnham, Kidder Peabody and JW Genesis), he has worked in all aspects of corporate finance. He formed Emerald Capital Partners in early 1999, to provide strategic planning and banking advice to a myriad of small and medium sized American growth companies. He has engaged in numerous public and private transactions and activities that include seed capital, early stage financing, major and late stage strategic finance, restructuring and mergers/acquisitions ranging in size from \$1 million to \$700 million. His industry experience includes health care, technology, telecommunications, biotechnology, financial services, environmental, and airlines. He holds BS and MBA degrees with honors from Ohio State University, and was a fellow in the doctoral program at Northwestern University.

Simon L. Bernstein, Chairman Emeritus - Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over a billion in life premium sales. Mr. Bernstein's career in the life insurance industry began in 1965 when he became the top producer for Aetna Life and Casualty Company. He has remained in the top 5% of life insurance sales agencies since that time. Mr. Bernstein supplied the initial “angel” investment for **iviewit**.

Gerald R. Lewin, Director - Gerald Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. In 1981, Mr. Lewin is Senior Partner of Goldstein Lewin & Co., which currently is a leading 50 man southeastern accounting firm. Mr. Lewin specializes in business consulting and is highly knowledgeable in many areas of accounting, tax and financial planning. Mr. Lewin is a

member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

Advisory Board

Kenneth Rubenstein –Mr. Rubenstein is a partner at Proskauer Rose LLP law firm and is the patent attorney for **iviewit**. He is a registered patent attorney before the U.S. Patent & Trademark Office. Ken counsels his clients with respect to the validity and infringement of competitors' patents, as well as prosecutes patent applications. For the past several years Ken has worked on the formation of a patent pool, for MPEG-2 technology, involving large consumer electronics and entertainment companies. Ken is also a former member of the legal staff at Bell Laboratories. Ken received his law degree, cum laude, from New York Law School. and his Ph.D. in physics from the Massachusetts Institute of Technology where he also graduated with a B.S. Degree.

Alan J. Epstein –Mr. Epstein is a shareholder of the entertainment law firm Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C., which is based in Los Angeles. Alan's law practice consists of advising Internet companies on various issues pertaining to the entertainment and sports industries, including the creation, licensing and acquisition of content, the introduction and negotiation of strategic partner relationships, and various other matters relating to the convergence of technology and content. Alan also advises his firm's numerous celebrity clients on the exploitation and protection of their name and likeness rights and content on the Internet, as well as merchandising, endorsement and sponsorship deals. Prior to entering the UCLA School of Law, Alan was a certified public accountant at Deloitte Haskins & Sells in Dallas, Texas.

Christopher C. Wheeler – Mr. Wheeler is a member of Proskauer Rose LLP's Corporate Department and as a partner in the Florida office has a versatile transactional practice. Chris has had extensive experience in real estate and corporate law, institutional lending and workouts, administrative law and industrial revenue bond financing. Moreover, he serves as a strategist and counselor to many clients in handling their other legal and business matters. Chris is well-versed in general corporate law as well as mergers and acquisitions and securities matters. He has guided companies from startup through initial private placements to public offerings. A graduate of Hamilton College and Cornell Law School, Chris was a member of the managing Board of Editor of the Cornell Law Review.

Eric M. Chen - Mr. Chen is an honors graduate from Harvard University. He has spent much of his career in the field of investment banking where he has specialized in advising, financing and guiding the growth strategies of many health care companies. His areas of expertise include biotechnology, medical diagnostics, and new emerging drug technology and delivery systems. He has served as an analyst, Senior Vice President and Managing Director for several Wall Street firms including Furman Selz, Hambrecht & Quist, Fechter Detwiler and Southeast Research Partners. Much of his activities have focused upon early stage growth companies in both the public and private sectors. He has analyzed companies in a wide variety of industries, which include vision

care, telecommunications, computer storage, software applications and data management. Mr. Chen is the President of Emerald Capital Partners, which he co-founded with Mr. Buchsbaum, since his departure from Southeast Research Partners in early 1999.

Legal and Accounting Counsel

Arthur Andersen LLP – Auditor - Arthur Andersen's vision is to be *the* partner for success in the New Economy. The firm helps clients find new ways to create, manage and measure value in the rapidly changing global economy. With world-class skills in assurance, tax, consulting and corporate finance, Arthur Andersen has more than 70,000 people in 83 countries that are united by a single worldwide operating structure that fosters inventiveness, knowledge sharing and a focus on client success. Since its beginning in 1913, Arthur Andersen has realized 86 years of uninterrupted growth, with 1999 revenues over \$7 billion. Arthur Andersen is a business unit of Andersen Worldwide.

Proskauer Rose LLP - one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients through the United States and around the world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.

Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C. – One of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting in developing the business structure and strategic relationships for **iviewit**.

Foley & Lardner - one of the oldest and largest law firms in America. Founded in 1842, the firm now has more than 750 attorneys in 14 offices, following the February 1996 merger with Weissburg and Aronson, Inc. Foley & Lardner's over 100 highly skilled intellectual property attorneys constitute one of the largest and most sophisticated technology groups in a general-practice law firm in the United States. As one of the few large national law firms with a global intellectual property law group, it is uniquely positioned to help **iviewit** capitalize on its foreign filings. The firm's broad-based representations in litigation, regulatory affairs and general business counseling is complemented by one of the world's most highly trained staffs, which includes 65 engineering and advanced technical degrees, including 12 Ph.D.'s. The list of clients using Foley & Lardner to fill their intellectual property legal needs ranges from small entrepreneurial start-up companies to large international and multinational corporations. Foley & Lardner attorneys provide solutions and successfully serve the needs of clients

around the world, including those situated in the United States, Canada, Latin America, the European Union, Eastern Europe, the Middle East, and the Pacific Rim.

William J. Dick - Special Counsel to the West Palm Beach office of Foley & Lardner. A member of the firm's Intellectual Property Department (Electronics Practice Group), Mr. Dick currently focuses on mentoring other members of the Electronics and Consumer Products Practice Groups in various IP related matters. He also conducts weekly classes in patent related matters for new associates. Mr. Dick joined Foley & Lardner after 26 years with IBM. He began as a patent attorney, and has handled all phases of patent, trademark and copyright duties, including litigation. Mr. Dick's most recent position with IBM was as Assistant General Counsel to IBM Asia Pacific. Mr. Dick is a graduate of the University of Virginia (B.M.E., 1956; L.L.B., 1962 changed to J.D., 1970)

Douglas Boehm - a partner in the Milwaukee office of Foley & Lardner and a member of the firm's Intellectual Property Department (Consumer & Industrial Products Practice Group and Health Information Technology Practice Group), Mr. Boehm practices in the areas of patent, trademark, copyright, and trade secret counseling; U.S. and foreign patent prosecution; and computer software and intellectual property licensing and technology transfers. Mr. Boehm's technical focus encompasses electrical and electronic engineering, including analog/digital/RF circuitry, radio telecommunications, lasers and fiber optics, and computer hardware and software. He has extensive experience in private industry, having worked as a development engineer and patent agent for Motorola, and as patent counsel for a subsidiary of Amoco Technology Company.

Attachment A – Financial Projections



"iviewit Financials
Approved.xls"

If you would like a hard copy of the financials, please run the above Excel executable and print the financials. Once you open the excel workbook, click FILE then, select PRINT, go to the "Print What" section and select "Entire Workbook" and then select OK. In the event that you would like to review the financials on your screen follow the previous steps, except after selecting "Entire Workbook" select "Preview". If you have any problems or would like a hard copy sent please call our toll free number at 877-484-8444.

Epstein, Alan

From: Eliot L. Bernstein [elijot@iviewit.com]
Sent: Saturday, July 22, 2000 9:00 AM
To: James F. Armstrong (E-mail); Eliot L. Bernstein (E-mail); Simon L. Bernstein (E-mail); Raymond T. Hersh (E-mail); Guy T. Lantoni; Michael A. Reale (E-mail); Brian G. Uley (E-mail 2); Jeffrey Friedstein (E-mail); Jeffrey Friedstein (E-mail 2); Donald G. Kane II (E-mail); Alan J. Epstein (E-mail); James R. Jackoway (E-mail); Michele M. Mulrooney (E-mail); Maurice Buchsbaum (E-mail); René P. Eichenberger (E-mail); Hank Powell (E-mail); Hank Powell (E-mail 2); Stephen J. Warner (E-mail); Theodore D. Lanzaro (E-mail); Gerald R. Lewin (E-mail); Gerald R. Lewin (E-mail 3); Kenneth Anderson (E-mail)
Subject: iviewit.com business plan and financials - AUDITED
Importance: High



www.iviewit.com

Saturday, July 22, 2000

Dear Gentlemen,

Attached is the new business plan and financials for iviewit. The file is a Microsoft Word document and the password = bizplan, when prompted for a second password, click the "read only" tab. The financials are located at the end of the Word document and are in Excel format. You can print the financials if you would like by following these instructions:

If you would like a hard copy of the financials, please run the Excel executable and print the financials. Once you open the excel workbook, click FILE then, select PRINT, go to the "Print What" section and select "Entire Workbook" and then select OK. In the event that you would like to review the financials on your screen follow the previous steps, except after selecting "Entire Workbook" select "Preview". If you have any problems or would like a hard copy sent please call our toll free number at 877-484-8444.

Best regards,

Eliot

Eliot L. Bernstein
 Founder & Chief Technology Officer

2255 Glades Road
 Suite 337 West
 Boca Raton, FL 33431
 Voice: 561.999.8899
 Fax: 561.999.8810
 Toll Free: 877.484.8444

*Di:
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TELECOPIER TRANSMITTAL SHEET

DATE: July 21, 2000

RECIPIENT: Mr. Eliot Bernstein 561-999-8810
Mr. Brian Utley
Mr. Maurice Buchsbaum

FROM: Alan J. Epstein, Esq.

CLIENT/MATTER: Business Plan

NUMBER OF PAGES: ___ (including cover page)

CC: James R. Jackoway, Esq.
Michele M. Mulrooney, Esq.
George T. Hayum, Esq.
(all w/encls.)

MESSAGE:

Attached please find my additional comments on the Business Plan (only pages with changes are enclosed). In my view, the commission schedule is not acceptable. For instance, in fiscal year 2002/2003, it is projected that the company will earn \$15.385 million of net income, but the sales and marketing staff will receive aggregate base salary and commissions in excess of \$10.242 million. This is way out of whack. The same issue came up in the offer to Steve Sklar, where he has been given a 3% - 10% commission. These commission payments come directly out of gross margin, and in my view need to be capped, pared back or swapped for additional stock.

Please call me with any comments or questions you may have. Also please black-line any subsequent drafts of the Business Plan to show the changes made. Best regards.

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential or exempt from disclosure under applicable Federal or State law. If the reader of the message is not the intended recipient or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited.

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G:\WP\AJE\FAX\BERNSN_E.FAX

Epstein, Alan

From: Raymond Hersh [Ray@iviewit.com]
Sent: Friday, May 19, 2000 12:27 PM
To: Brian Utley
Cc: Eliot Bernstein; Guy Iantoni; Jennifer Kluge; Martha Mantecon
Subject: Business Profile

20000515 - Business

Profile.do...

Brian,

Attached is the newest edition of the Business Profile. It incorporates additional edits and the addition of the section on Barriers to Entry. This edition, which still carries the date: May 2000, should replace the one from earlier this week. This one is distinguished by the fact that it has expanded to 7 pages whereas the earlier one was 6, so please delete the other one.

Please re-read the entire document in order to catch some of these edits. Please also note that I have added the name of Foley & Lardner to the Intellectual Property Section on page 4, and that in the penultimate paragraph on page 7 I have hedged the sales projections, indicating that a revision (based on our conversation re Use of Proceeds yesterday) is being developed [and assuming \$20 million, rather than \$10 million].

This edit does not yet contain a section on Competition (where Guy and I need your help).

Anyone using this document should keep in mind to change the contact person on the cover, depending upon the sender.

Raymond

To: iviewit / Business Pl



**A Leader in New Audio/Visual Technologies for
Tomorrow's Markets**

Business Profile

Contact Information:

Raymond T. Hersh

i@view@it.com

One Boca Place

2255 Glades Road, Suite 337W

Boca Raton, Florida 33431

561-999-8899

Business Profile

iviewit.com (TM Pending) is a developer and provider of proprietary, leading edge visual and audio technologies providing an infrastructure backbone for the display of content over the Internet. The Company has developed and launched two breakthrough technologies – video/audio streaming and image enhancement -- that enable (1) full-screen, full-motion video (including CD quality audio) and (2) full screen, high definition virtual pictures. These technologies allow, for the first time, a rich and full Internet multi-media experience with virtual environment e-commerce applications for all b2c (Business to Consumer) or b2b (Business to Business) markets. **iviewit's** applications enhance Internet display of videographic or photographic presentation. By virtue of its technical backbone technologies, **iviewit** is leading the introduction and advancement of multi-media applications for the Internet environment, both in streaming video/audio and imaging following the first public demonstration of its proprietary technologies in 1999. Since that time, **iviewit** has refined its several (Patent Pending) processes to transform this technology into consistently deliverable and commercially accepted Internet solutions.

Company

Founded in 1998, **iviewit.com** has initially achieved its first \$2.5 million in funding which has enabled it to develop, test and commercially launch its visual Internet infrastructure technologies. Initial, key management infrastructure has been developed, and the Company has successfully passed through its technical validation phase to ensure that its technology is fully reproducible and reliable. **iviewit** then identified several market sectors to emphasize, and it has targeted key early stage customers in order to gain recognition and commercial acceptance.

iviewit.com is engaged in the application of new visual and audio technologies for the use of content providers and consumers to make their experience over the Internet dynamic and real. **iviewit.com's** business model is to:

- license its proprietary video/audio streaming and imaging technologies for the processing, encoding, managing and specialized web-hosting of source material and content where multi-media Internet distribution is required
- provide turn-key processing for raw video and imaging content for Internet distribution
- develop image and branding (e.g., **KleerStream/KleerSound/KleerZoom**) for its technology backbone capabilities
- identify and develop expanded vertical sector marketing and new applications
- develop expanded electronic transfer applications for its customers
- expand its scalable processing capabilities on a production-controlled basis
- launch broad-based promotion and marketing campaigns through advertising, trade shows and key customer references
- confirm **iviewit** as the industry "Gold Standard" in supplying leading edge, multi-media video and audio streaming and imaging infrastructure and tools for the Internet

Early in 2000, the Company commercialized, and, as of May 2000, it already has developed its first six customers. The combined, annualized revenue of these customers is estimated to reach approximately \$4.0 million once they are implemented and ramped to present customer expectations. As **iviewit** secures its next round of funding, the Company will aggressively accelerate the implementation of its business plan.

The Changing Internet Landscape

Until now, the delivery of content over the Internet was substantially text-based, and attempts to transmit video and photographic content over the Internet have been marred by long downloads, small pictures and poor quality. Reducing the bandwidth time it takes to transmit files usually has meant delivering a picture that appears herky- jerky and out of synch with the sound. Providing video that is comparable with television (*full motion/full screen*), on the other hand, typically has required large file sizes and long download times. Trying to squeeze television-quality video files into sizes that can be transmitted on the Internet has proved elusive accompanied by severe limitations, such as the requirement for costly and often unavailable bandwidth and image pixelation (poor quality/high distorted imaging realized upon magnification).

As recently as December 1999, a leading Internet news publication indicated that the Internet speed required for Television-like quality video would not be possible until the 700 kbps range was reached and that “nowhere in the tech world have there been more unfulfilled promises than in the realm of next-generation television.”

Iviewit's technologies have bridged the gap by enabling virtually distortion-free, TV quality video (and audio) streaming and image zoom capabilities in the 100+ Kbps range, considered optimal for delivering broadcasts over the Internet. **iviewit's** technologies can be delivered regardless of the bandwidth.

Meanwhile, there is enormous content that has been created for television that is ready for conversion to an Internet application, and the proliferation of new bandwidth capacity via DSL, cable and satellite are finally providing an environment whereby **iviewit's** breakthrough technologies can easily be adopted and utilized. **iviewit** believes that there is virtually unlimited growth opportunity for its proprietary visual Internet backbone technologies. As a matter of fact, Bill Gates recently stated that “streaming media is the fastest moving part of the whole digital world.”

Proprietary Technologies

iviewit.com has developed two complementary technologies to enhance videos and images delivered over the Internet:

1. A state-of-the-art, proprietary technology, enabling full motion/full screen, high quality, distortion-free streaming video (and audio) to be viewed by any internet video player at amazingly low bandwidths, with extraordinary detail quality and reduced file size. Broadband and modem users can see streaming video with virtually no download time required.

2. A digital imaging technology creating the opportunity for full screen still images and panoramas that can be zoomed and manipulated, distortion-free, in a virtual environment with almost unlimited magnification.

Benefits of iviewit.com's Technologies

The principal benefits of **iviewit's** visual Internet infrastructure technologies follow:

- the technologies significantly enhance the image quality of any video content streamed over the Internet regardless of which media and sound player is utilized at very low and economic bandwidth
- the technologies allow high quality video streaming in the 100+Kbps ranges, providing better product and price performance for the product delivered
- the technologies enhance the ability to view photographic images on the Internet by providing incredible zoom and panning capabilities to the user

Intellectual Property

iviewit.com has protected its enabling technologies by filing eight provisional patent applications for its video streaming and imaging capabilities, covering a wide array of enabling technology. These patent applications cover Apparati and Methods for "Producing Enhanced Digital Images and/or Digital Video Files," "Producing Enhanced Video Images," "Producing Enhanced Digital Images," "Playing Video Files Across the Internet," "Producing Enhanced Video Images and/or Video Files" and for "Providing and/or Transmitting Video Data and/or Information in a Communications Network." One of these applications recently has been resubmitted as a non-provisional application. The remaining provisional applications will be converted to non-provisional status within the allowable period. **iviewit believes that processes underlying these inventions are unique, and it has retained Foley & Lardner, one of the most reputable patent law firms in the United States to shepherd its patent development and procurement.**

Products and Services Revenue Strategy

iviewit.com intends to create a profitable, recurring revenue base by performing the following services:

- technology licensing designed to enable the licensee to create content for Internet distribution via **iviewit's** processes
- video and audio encoding and image processing for web hosting and Internet distribution
- specialized web hosting of image and video content linked to the client's site
- photographic and/or video production services suitable for **iviewit's** technologies

While **iviewit's** enabling technologies are applicable across a wide spectrum of Business to Business (b2b) and Business to Consumer (b2c) Internet sites, the Company's technology is ready to facilitate the conversion of massive libraries of content into usable format for Internet transmission and use. **iviewit** will also pursue concentrate its early initiatives in new and emerging application opportunities emphasizing the following market applications: Technology/process licensing to third parties; Advertising, Entertainment, Healthcare, Hotel and Resorts, Real Estate and other Virtual Tours, Collectibles and Auctions, Product Marketing, Executive Search, Sports, Modeling and Dating Services.

Management Team

iviewit.com has established a strong, well-experienced key management team, supported by a Board of Directors and Advisory Board representing broad management and industry experience, including developing technologies, dealing with patent and business legal issues, financing start-up companies and preparing companies for an IPO. The initial key management team follows:

- **Brian G. Utley, President** - Mr. Utley comes to **iviewit** from a very significant career in the computer industry. For over 30 years, he was responsible for the development of and world-wide management of many of IBM's most successful products. Entering IBM's executive ranks in the early 1980's, Mr. Utley's impact was felt in all areas of that Company's advanced technology product development, including Biomedical Systems, European Operations and, very significantly, IBM's launch of the PC. Following the U.S. introduction of the PC, Mr. Utley moved to Europe where he was responsible for a number of IBM's overseas activities including product development, product management and market development, the most notable of which was managing the launch of the PC across Europe and the Middle East. His career with IBM culminated with his responsibility as Vice President and General Manager of IBM Boca Raton with a work force of over 6,000 professionals. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results.
- **Eliot I. Bernstein, Founder and Chief Technology Officer** - Mr. Bernstein, is a graduate of University of Wisconsin, specializing in computer science and psychology. Prior to founding **iviewit**, he spent 15 years creating and developing many innovative, computer-based multi-media marketing tools which remain in use supporting multi-billion dollar service industries. In 1998, Mr. Bernstein chose to advance these multi-media development tools to new and previously unachieved heights creating the high impact visual applications for the Internet that have become **iviewit's** core Internet backbone media technologies. In developing this technology, Mr. Bernstein adopted a vision that combined his passions for photography and video with a burning desire to see the Internet evolve from a text-based medium to a visually elegant tool. Mr. Bernstein is the sole inventor of the Company's several Patents Pending. As Chief Technology Officer, Mr. Bernstein oversees the continuing development and new applications of **iviewit's** core visualization technologies in addition to developing complementary and emerging technologies. He is committed to insuring that **iviewit.com** achieves and maintains its leadership position as the Gold Standard for visual technology infrastructure for the Internet.
- **Michael A. Reale, VP of Operations** - Mr. Reale carries extensive operations and executive management experience which will enable **iviewit** to develop a well organized and efficient production capability. Mr. Reale began his career with IBM where, over twenty years, he advanced through several production process managerial functions, culminating as Director of Manufacturing for their Personal Computer Division. Following his tenure with IBM, Mr. Reale joined SCI Systems, Inc., a Fortune 500 electronics contract manufacturer, as Senior Vice President, where he was responsible for seven operations both in the U.S. and overseas. Following SCI, Mr. Reale spent two years as President of MGV Manufacturing Corp., a premier provider of computer memory assemblies with operations in the U. S. and Europe, where he increased sales by 200%. Most recently, Mr. Reale filled successive executive positions with Boca Research, a publicly owned manufacturer of personal computer enhancement and Internet thin client products, where he progressed to and became COO. The particular value-added skills that Mr. Reale brings to **iviewit** encompass operations

experience at all levels of an organization, including P&L responsibility, quality and delivery performance accountability.

- **James F. Armstrong, VP of Sales and Marketing** – Mr. Armstrong has owned and operated The Armstrong Group, Ltd. since 1982. The Armstrong Group is a financial planning, insurance consulting and sales firm targeting the corporate executive and high net-worth markets. He has developed marketing materials, formulated policies and procedures and has recruited and supervised a national network of planning and sales specialists, and he has experience in building a sales infrastructure for a start-up company. Mr. Armstrong's extensive knowledge of computer hardware and software applications have served him well in his previous responsibilities, and, together with his broad business experience, uniquely positions him for this leadership role with **iviewit.com**.

Searches are currently under way to complete the executive management team by the addition of a COO, a CFO and a Sr. V.P. Marketing and Sales

Barriers To Entry

iviewit is the first and only company to provide video streaming that delivers a rich video experience with practically distortion-free full screen capability at normal, TV- equivalent frame rates of 29.97 fps (frames per second).

Similarly, **iviewit** is the first and only company to provide virtual imaging that preserves and delivers full image quality and detail of the original image - without distortion - not only during compression (up to 100:1), but also through virtually unlimited zoom or magnification.

- These technical breakthroughs, and their commensurate features and benefits, comprise **iviewit** 's Trade Secrets, constituting a significant Barrier to Entry to others, while also giving it *First Mover Advantage* in the marketplace.
- The proprietary technologies inherent in **iviewit**'s Trade Secrets, together with the mathematics required and the algorithms developed to achieve these results, have been translated to provide the underpinnings for the profound intellectual property potential inherent in **iviewit** 's patents pending, also constituting a significant Barrier to Entry.
- In accomplishing these technical breakthroughs, **iviewit** has accomplished what engineers previously thought unachievable with current bandwidth limitations. **iviewit**'s two-year development investment gives it significant lead-time in this space, providing a significant competitive advantage relative to development time for others, market acceptance and the ultimate gaining of patent protection.
- Through the achievement of early customers, **iviewit** already has achieved six important customers, with several more pending. This early customer validation will generate and enable additional market momentum, not only establishing **iviewit**'s breakthrough technologies as unique, but also underscoring and confirming it as the Gold Standard for video/audio streaming and imaging over the Internet. This also creates a significant Barrier to Entry.

Financial Summary and Investment Opportunity

Over the past year since being founded, \$2.5 million has been invested in **iviewit.com**. An early investor is Huizenga Holdings. H. Wayne Huizenga was the CEO of Waste Management and Blockbuster Video before founding Republic Waste Services and AutoNation. Another recent investor is Crossbow Ventures/Alpine, a significant private investment fund, located in Palm Beach and Geneva.

iviewit is presently seeking two investment tranches. The first and most imminent will be a \$2.0 million equity bridge ("the Bridge"), to be completed imminently leading to a significant \$10-20 million capital raise to be achieved by the third calendar quarter of 2000. The second tranche is expected to carry a significantly higher valuation than the \$2.0 million Bridge, suggesting a potentially meaningful incremental investment opportunity for the investors in the Bridge.

The funds raised from both investment tranches will be used to recruit additional management infrastructure and support staff, expand market applications of **iviewit's** proprietary visual infrastructure Internet technologies, scale up additional equipment necessary to support additional customers and generally fund the Company until its expected break-even in 20 months. Once break-even occurs, **iviewit** rapidly begins generating strong cash flow and high gross margins. At the end of FY Two, **iviewit** is projected to be licensing and supplying its video streaming technologies to over 200 customers and its imaging technologies to over 300 customers. Full projections for the second year, post funding, call for sales of about \$18.3 million and EBITDA of \$8.3 million. By the end of year two, revenues are expected to achieve a rate of \$38 million per annum and gross margins of 80%. As these projections were completed in December 1999, they are being updated and increased, assuming the second tranche will be \$20 million and given **iviewit's** early market achievements in 2000.

Potential exit strategies for **iviewit.com** investors may include any one, or a combination, of the following activities: IPO, partner with a major company or be acquired.

May 2000



*A Leader in New Visual Technologies for Tomorrow's
Markets*

Business Plan

Contact Information:

Brian G. Utley, President
i@view@it.com
One Boca Place
2255 Glades Road, Suite 337W
Boca Raton, Florida 33431
561-999-8899
brian@i@view@it.com

COPY #: 7

DATE: 02/29/00

ISSUED TO: Armstrong Hirsch Jackoway Tyerman & Wertheimer

Confidentiality Statement

This business plan and the exhibits hereto (collectively, the “Plan”) have been submitted on a confidential basis for use by a limited number of sophisticated investors or acquirers (the “Investor(s)”) solely for, and should be used only in connection with, an Investor’s consideration of an investment in iviewit.com, Inc., (the “Company”). Its use for any other purpose is not authorized. Any reproduction or distribution of the Plan, or re-transmittal of its contents, in whole or in part, without the prior written consent of the Company is prohibited.

This Plan contains certain information of a highly confidential nature, including projections by the Company’s management of the Company’s performance and other material of a forward-looking nature. The receipt of this Plan constitutes an agreement on the part of the recipient hereof to maintain the confidentiality of the information contained herein or any additional information subsequently delivered in connection herewith. Investors who accept this Plan or become aware of the information contained herein must understand and comply with the extensive restrictions imposed by Federal and State securities laws upon their ability to disclose information contained herein to others or to participate in or otherwise effect or facilitate any transaction relating to any securities of the Company. Investors who cannot comply fully with such restrictions should not review the information contained herein and should immediately return this Plan to the Company.

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Executive Summary

iviewit.com has two breakthrough technologies that have paved the way for full-screen, full-motion video and full screen high definition pictures and virtual environments. iviewit.com has been leading the Internet visualization industry in both imaging and streaming video since the first public demonstration of its technologies in 1998. Since that time iviewit.com has refined it's Patent Pending processes to transform these concepts into a deliverable and commercial solution. The result has changed the Internet experience.

Company

iviewit.com is engaged in the application of new visual technologies for the use of consumers to make their experience over the Internet dynamic and real. iviewit.com's mission is

- to license its video streaming and imaging technologies,
- to develop new markets and applications, and
- to build a platform for visual technologies.

iviewit.com believes that there is virtually unlimited growth opportunity for its proprietary visual Internet media. Once it has secured the next round of funding, iviewit.com will focus on aggressively licensing and producing its video streaming and imaging technologies to establish a branded leadership position for enhancing images viewed over the Internet.

Enabling Technologies

iviewit.com has developed two complimentary technologies to enhance videos and images delivered over the Internet. The first is a state-of-the-art, proprietary technology, enabling full screen, high quality streaming video to be viewed by any internet video player at amazingly low bandwidths, with increased quality and reduced file size. Broadband and modem users can see the streaming video with no appreciable download time required. The second digital imaging technology creates an opportunity for full screen still images and panoramas that can be magnified with minimal image distortion. iviewit.com has protected its enabling technologies by filing and securing eight Patent Pending applications for its video streaming and imaging technologies.

As illustrated in the following quote from the Industry Standard, the leading Internet news publications December 1999 issue, the Internet speed required for Television quality video would not be possible until the 700 kbps range. Iviewit.com technologies have bridged the gap.

"To date, broadcasting video online has been marred by long downloads and poor quality. Reducing the time it takes to transmit files usually means delivering a picture that appears jerky and out of synch

with the sound. Providing video that is comparable with television, on the other hand, typically requires large file sizes and long download times. Trying to squeeze television-quality video files into sizes that can be transmitted on the Internet has proved elusive...But right now, it transmits at over 700 kilobits per second, far higher than the 200 Kbps that would be optimal for delivering broadcasts over the Net."

And from the November 1999 issue:

"Nowhere in the tech world have there been more unfulfilled promises than in the realm of next-generation television..."

Benefits of iviewit.com's Enabling Technologies

The benefits of iviewit.com's enabling technologies are as follows:

- it enhances the image quality of any video content streamed over the Internet regardless of which player is used to view the video
- it enhances the ability to view still images on the Internet by allowing for incredible zoom and panning by the user
- it allows high quality video streaming into the 56-220Kbps range, thus decreasing storage and transfer costs to content providers.

Products and Services Offered

iviewit.com intends to create a profitable, recurring stream of income by licensing the following products and performing the following services:

- Site Licensing for the Distribution of Product Processed by iviewit.com
- Image and Video Processing
- Web Hosting of Image and Video Content, Linked to a Client's Site
- Photographic and/or Video Recording Services
- Web Site Creation and Hosting

Market Penetration Strategy & Launch

iviewit.com has secured license agreements with Hyatt Hotel & Resorts, Great Expectations Dating Service and Kids Camps. In addition, iviewit.com is currently negotiating with major corporations such as @merican enterprise.com, 3Com, Playboy, Hollywood.com, Broadway.com, University of Florida, and CBS Sportsline.com. The response to the technologies and licensing cost has been very positive. While iviewit.com's enabling technologies are applicable across a wide spectrum of Business to Business (b2b) and Business to Consumer (b2c) Internet sites, iviewit.com will concentrate its early initiatives in the following areas: Advertising, Entertainment, Health Care, Hotel and Resorts, Luxury Items, Executive Search, Sports, Modeling, and Dating Services.

iviewit.com plans to highlight its video streaming enabling technologies with high profile websites and events. Current negotiations include opportunities with CBS Sportsline.com, Broadway.com and an Internet event called i.m. Nomad. The i.m.

Nomad event is an Internet mini-series consisting of 15 four-minute episodes starring internationally renowned supermodels Heidi Klum, Estella Warren and Rachel Roberts.

Management Team

iviewit.com has a strong, well-experienced and diversified management team, Board of Directors, Advisory Board and Consultants. The initial key management team includes a President, a CTO and a VP of Sales and Marketing. This team has extensive experience in technology, management and financial services. The Board of Directors and Advisory Board is equally well experienced with backgrounds in running large corporations, developing technologies, dealing with patent and business legal issues, financing start-up companies and preparing companies for an IPO.

Strategic Alliance with Real 3D®, Inc.

iviewit.com has signed a strategic partnership with **Real 3D®, Inc.** the premier supplier of 3D graphics technology in the world, holder of more than 40 patents in 3D visualization technology and strategically partnered with Lockheed Martin, Silicon Graphics and Intel. **Real 3D®, Inc.** is providing hosting, serving and technology enhancement services to iviewit.com.

Financial Summary

iviewit.com is seeking \$10 million in capital to expand its current operations. The funds will be used to expand the current management team and staff, promote and market the technologies, and support iviewit.com until its expected break-even in 20 months. Once break-even occurs, iviewit.com rapidly begins generating strong cash flow and gross margins topping fifty percent. At the end of FY Two, iviewit.com is projected to be licensing and supplying its video streaming technologies to over 200 customers and its imaging technologies to over 300 customers. Within two years, revenues are expected to achieve a rate of \$38 million per annum and a net margin of 33%.

Potential exit strategies for iviewit.com may include any one, or a combination, of the following activities: IPO, Partner with Another Company, Spin-off Technologies Application and/or Create Multiple Companies for Different Markets.

Company

Company Background

iviewit.com, Inc., located in Boca Raton, Florida, was formed in 1999 under the laws of the state of Delaware. iviewit.com was formed to research, develop, license and sell its proprietary Internet based visualization products and services to the vast growing e-commerce market. iviewit.com has developed state-of-the-art proprietary technologies enabling full screen, TV quality streaming video and digital imaging for the Internet. The streaming video can be seen by both broadband and modem users with no download time required. The digital imaging allows for full screen still images or panoramas that can be magnified with minimal image distortion. iviewit.com has protected its technologies by filing and securing eight Patent Pending applications for its video streaming and imaging

technologies. (Please see the section titled "Proprietary Technologies and Patents Pending" under the Product Description for more details).

Seed funding for iviewit.com was received in September '99 from Huizenga Holdings, Inc. Huizenga Holdings is controlled by H. Wayne Huizenga, a successful industrialist best known for starting Waste Management, Blockbuster Video, Auto Nation and owning major sports teams such as the NFL Miami Dolphins and NHL Florida Panthers. This seed funding allowed iviewit.com to start operations in its current location in 1999. Since that time iviewit.com has established a demonstration web site, initiated digital imaging production through a sub contract with Strategic Partner **Real 3D®, Inc.**, continued development of the iviewit.com video process and hired an initial sales staff. iviewit.com has refined its technologies for commercial exploitation and early sales contacts and contracts have confirmed the commercial value of iviewit.com's technologies. iviewit.com is now seeking financing to realize the potential of its products and technologies.

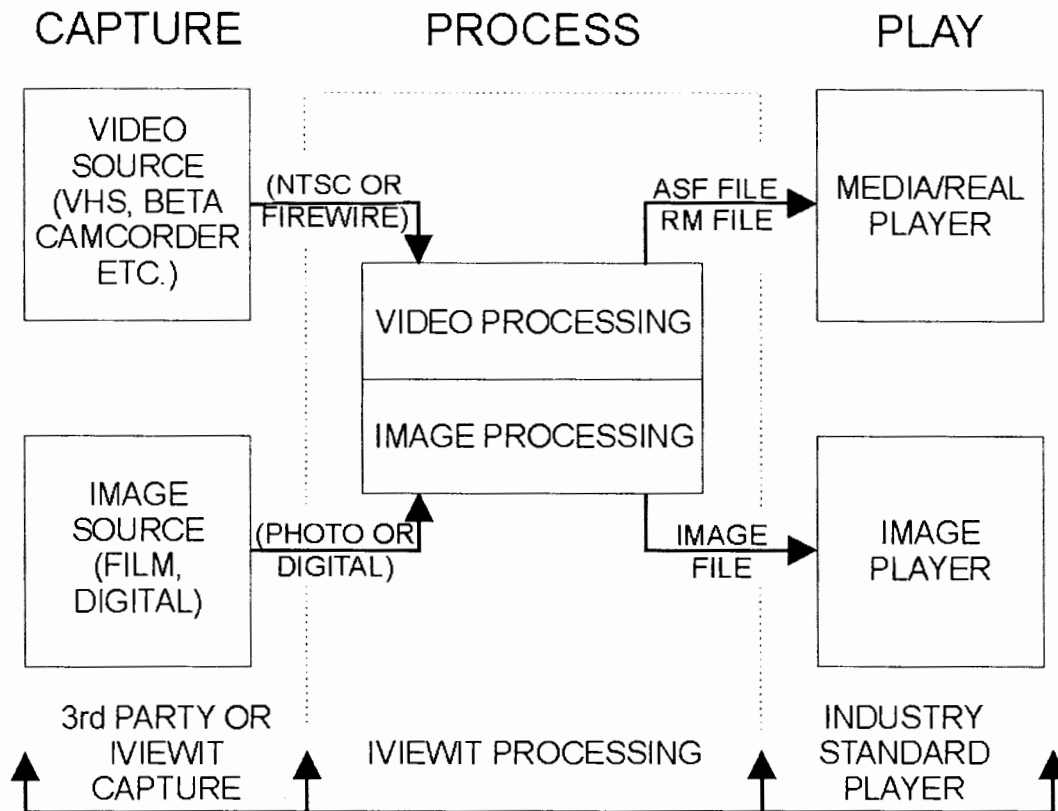
iviewit.com was initially formed as a limited liability company. For various business reasons, the Board authorized the conversion of iviewit.com into a 'C' corporation. This was accomplished on December 29, 1999. iviewit.com, Inc., a Delaware corporation ("iviewit.com"), is a wholly-owned subsidiary of iviewit Technologies, Inc., also a Delaware corporation ("Technologies") and is the operating company for the iviewit entities. Technologies, a majority owned subsidiary of iviewit Holdings, Inc., a Delaware corporation ("Holdings"), owns or controls all of the patents, trademarks, copyrights, trade secrets and all of the other proprietary intellectual property. Technologies, in turn, has entered into a license agreement with iviewit.com whereby iviewit.com has the right to sublicense and exploit Technologies' intellectual property to and with third parties.

Products & Services Description

Processes

iviewit.com's impressive visual media products are the result of several years of development focused on the entire process of image/video delivery over the Internet. Care has been taken to be platform agnostic to preserve the broadest possible range of application. iviewit.com's suite of video and imaging technologies processes work across all industry platforms. Therefore, iviewit.com's video process will enhance both Microsoft's Media Player and Real Network's player. The result is industry leadership products without requiring special downloads or equipment. iviewit.com processes are proprietary and protected as Trade Secrets and Patent Pending applications filed with the U.S. patent office. While video and imaging are treated separately, it should be noted that they are complementary both from a process point of view and from a customer perspective. Many potential customers have both requirements such as the resort and hotel industry and the health care industry. iviewit.com views the combination of these products as an integral part of its sales portfolio.

IVIEWIT VISUAL MEDIA PROCESSING



Video Streaming

Streaming video is the most exciting form of content distribution over the Internet and has challenged the industry since the inception several years ago. Current processing techniques do not provide solutions for clear, full motion, full screen streaming video. iviewit.com has developed encoding solutions that do provide for full motion, full screen streaming video at speeds ranging from 56-125 Kbps and upward. These competitive advantages are at the core of iviewit.com's market opportunity.

Motion is a particular challenge because the image refresh process tends to produce highly distorted pictures. iviewit.com has succeeded in producing TV quality video over broadband networks and significantly improved narrowband speed results. These results are obtained while minimizing the bandwidth required for the streaming video event.

Internet ready streaming digital files are produced from virtually any source creating NTSC (US) compatible or IEEE 1394 firewire interfaces. Other modality such as PAL or SECAM can be accommodated. The output digital files are MS Media Player or RealNetworks RealPlayer compatible. Individual files are produced for either modem or broadband use and designed to minimize the amount of bandwidth required to produce the highest possible quality image. iviewit.com's processing times range from 3X to 6X

the playtime of the video depending upon the length of the video and the output file. The proprietary process is extendable to include video acquisition. Even though this phase is not a pre-requisite, improvements in final video quality are attainable by using iviewit.com's *total video process*.

Digital Imaging

iviewit.com offers a wide range of "over the web" high quality, full screen imaging technologies. Images processed by iviewit.com can be viewed with zoomable and panoramic images of up to 360 degrees. Images produced by iviewit.com's proprietary process are identical in quality regardless of the end-user's Internet connection speed. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. Output file sizes typically range from 30KB to 400KB for a full 360-degree panorama. Source material may be conventional emulsion type film or digital. Special photographic techniques are employed to ensure the final quality of the process ("garbage in, garbage out"). Unlike conventional web-ready images that become severely distorted after magnification attempts of just 1-2 times, iviewit.com processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. **Real 3D®, Inc.** engineering teams have reviewed the imaging process and results, and the comment from their review was "superb" and "elegant".

These are the types of digital images that iviewit.com can create with its technologies:

- **Single shot** - A single photo frame. Used for simple flat scenes or objects with depth imaging.
- **Single shot Pan and Zoom** - A single photo frame with the ability to zoom into the picture for magnifications of up to 20X.
- **Quarter Pan and Zoom** - Typically 3 photo frames stitched together to provide a wide perspective and up to a 90 degree camera sweep angle. Used for small rooms or wide objects.
- **Half Pan and Zoom** - Typically 6 photo frames stitched together to provide up to a 180 degree panoramic camera sweep angle. Useful for panning a room from the center of a wall.
- **Three quarter Pan and Zoom** - Typically 10 photo frames stitched together to provide up to a 270 degree panoramic camera sweep angle. Used for a wide panorama or a large room taken from a corner or offset from the center.
- **Full Pan and Zoom** - Typically 13 - 16 photo frames stitched together to provide up to a 360 degree panoramic camera sweep angle. Used for a full outside panorama or a large room from the center of the room.

Proprietary Technologies and Patents Pending

iviewit.com has an extensive portfolio of proprietary technologies in the fields of image and video data processing as well as proprietary technologies for network delivery systems for delivering its proprietary image and video data and information from a network-based computer platform.

To date, iviewit.com currently holds eight Patent Pendings in the fields of image and video processing, image and video file transmission over a communication network, and video data processing and transmission in a communication network. iviewit.com is aggressively seeking to procure patent protection in the United States and abroad for its Patent Pending technologies.

iviewit.com has adopted a two-prong approach to building an extensive patent portfolio. iviewit.com plans to continue aggressively developing and seeking patent protection for its own proprietary technologies. iviewit.com will further seek to improve upon existing technologies as these technologies come to the market. While patent pending status does not, in itself, guarantee that a patent will ultimately be issued, or that an issued patent will not face a judicial challenge in the Courts or an administrative challenge in the U.S. Patent & Trademark Office, iviewit.com believes that the pending claims in its patent applications are well supported and will provide iviewit.com with broad patent protection. iviewit.com further believes that its proprietary technologies, and related trade secrets, provide it with a substantial competitive advantage.

Future Development

iviewit.com's goal is to maintain a leadership role in visual technologies and continued research and development will be deployed to this end. iviewit.com's product output will stress user friendliness, superior picture quality and effective presentation for the experience by the end user.

Extensions of the current technologies are planned to provide similar improvements in videoconferencing. Early testing has validated the feasibility of these extensions and funding will provide the resource necessary to complete the development work. It is estimated that a product could be ready to market within 6 – 9 months from funding. Also, a TV interface adapter, which allows a PC monitor output to be connected to a TV set, is currently available. Using a TV this way further enhances the quality of the video since a TV set is optimized for displaying video images. This has paved the way for a new era in Pay-Per View distribution across the Internet.

Products and Services

In order to provide its customers a full range of services to create and offer quality video and images over the Internet, iviewit.com offers the following products and services:

- ***Site Licensing for the Distribution of Product Processed by iviewit.com.*** Each site distributing iviewit.com visual media product must license the technologies. The licensing fee will be collected up front as an annual fee and there may be additional royalties due within each annual licensing period for expanded use of the product.
- ***Image and Video Processing.*** There is an option between basic processing or edited content processing for a higher quality output. Priority and standard time processing is provided. Priority processing guarantees a next day delivery via file transfer protocol to the customer or posted to the iviewit.com website. Standard delivery is within 5 working days.

- **Web Hosting of Image and Video Content, Linked to a Client's Site.** This service will be for content owners who do not have the server capacity to store or stream their content and will not be applicable to all clients. This is an extension of the current web site. Seamless linking is a well-established Internet technique and has been validated by *iviewit.com* testing with prospective customers. Since this is not a core part of its business model, *iviewit.com* is investigating the option of hosting services through strategic alliances.
- **Photographic or Video Recording Services.** *iviewit.com* has retained the services of a large number of professional photographers and videographers in order to handle customer requirements.

Web Site Creation and Hosting. Professional designer support is available through *iviewit.com*'s subcontract with **Real 3D®, Inc.** and other web site specialists. This service is not expected to be a major part of *iviewit.com*'s business.

Industry Analysis

Broadband Industry

The transmission of data intensive content over the Internet has been limited due to both technological and bandwidth constraints. However, the increasing availability of improved delivery systems, such as digital cable modems, T-1 lines, satellite delivery

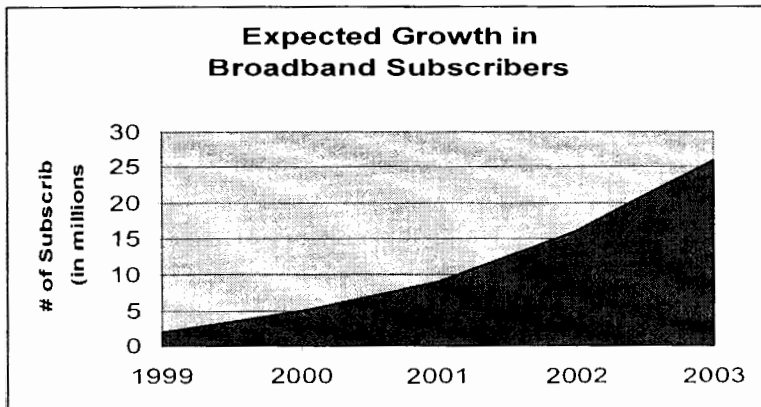


Chart 1.0 - Forrester Research and Broadband Intelligence

systems and DSL networks are enabling the use of more feature-rich multimedia content. Even at these higher bandwidth speeds video quality remained poor until *iviewit.com* developed processes that allowed users at these speeds TV quality video streaming. These broadband systems typically allow sustained data transfer to the user of at least 256 kilobits per second, or approximately 5 times the access speed of the fastest standard narrowband modems.

US cable modem subscribers are expected to increase to 3.3 M in 2000 (up from 1.6M in 1999). DSL customers (serviced by phone companies) will nearly triple to 1.4M in 2000 from 500,000 in 1999.¹ And the total number of broadband subscribers by the end of Year 2002 and 2003 is expected to be 16 million and 26 million, respectively.²

¹ Broadband Intelligence July 1999

² Forrester Research

The broadband industry is drawing billions of dollars in capital investments to develop the necessary infrastructure for broadband content and delivery. The cable companies are massively marketing this existing user base to include broadband access. Similarly, the telephone companies are upgrading their lines to offer DSL access. In addition, major hardware manufacturing companies, application developers and content providers are racing to be the de facto standard for broadband delivery.

Streaming Media Industry

Multimedia streaming technology is bringing new levels of versatility, quality and simplicity to the creation and distribution of multimedia content over the Web. One measure of the growth in use of streaming media is the number of registered users posted by RealNetworks, a company that develops software used by broadcasters to stream multimedia content over the Internet. The first RealPlayer was released in 1995, and to date over 80 million unique users have been registered. The RealPlayer download rate now exceeds 175,000 per day, an increase of more than 270% since the beginning of 1997.

The emergence of rich multimedia capabilities, such as streaming audio and video, will continue to enhance the effectiveness of the Web as a mass communications medium and Intranets as a means to improve corporate communications. Content delivered through traditional media, such as television and radio, will be increasingly delivered over the Internet.

Digital Imaging Industry

Companies are increasingly using digital imaging to effectively promote their products on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat two-dimensional images offering a limited field of view. Technological innovations that enhance realism and interactivity and contribute to a viewer's retention to that web site will facilitate the success of e-commerce by leading to increased sales and advertising rates. Specifically, immersive imaging, or the ability to create the viewing perspective of being inside the image, is becoming increasingly popular with many web sites. However, image creation with many of the existing immersive technologies is labor intensive, produces poor visual quality and requires proprietary hardware and software. As a result, market acceptance of these technologies has been limited. Until iviewit's digital imaging process the users ability to zoom into a picture or virtual reality environment was limited due to pixel distortion.

In order for widespread adoption of immersive imaging by businesses and consumers to occur, new immersive technologies must offer the following benefits:

- Ease of creating and viewing an image
- East of distributing and sharing the image
- Portability of the capture device
- Cost effectiveness
- Use of standardized technology
- Platform independence

Management Team

- **Brian G. Utley, President** - Mr. Utley has been involved in the computer industry since 1955, 37 years of which were with IBM. He has been in senior management and executive positions since 1965 culminating in his responsibility as Vice President and General Manager of IBM Boca Raton with a work force of over 6,000 professionals. During his career he has been responsible for advanced technology product development on many fronts. In addition he was responsible for a number of IBM's overseas activities including product development, product management and market development. The most notable of which was the introduction of the IBM PC to Europe. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results.
- **Eliot I. Bernstein, Founder and Chief Technology Officer** - Mr. Bernstein, a graduate of University of Wisconsin in psychology with a minor in computer science, spent 15 years in a highly successful insurance career during which he created many innovative and effective computer based, multimedia marketing tools. These products remain in use today to service over \$1 billion of insurance business. In 1998, like many entrepreneurs, Eliot chose to risk everything to pursue his dream of creating high impact visual applications for the Internet and iviewit.com was born. He combined his passion for photography and video with a burning desire to see the Internet evolve from a text-based medium to a visual tool. As Chief Technology Officer Eliot oversees the development of all aspects of iviewit.com's imaging and video technologies. As the inventor behind the Patent Pending's in process at the US Patent Office Eliot continues to play a key role in the development of visualization technologies and is committed to insuring that iviewit.com maintains its leadership position in the industry.
- **James F. Armstrong, VP of Sales and Marketing** – Mr. Armstrong has owned and operated The Armstrong Group, Ltd. since 1982. The Armstrong Group is a financial planning, insurance consulting and sales firm targeting the corporate executive and high net-worth markets. Jim also worked for Prudential Securities as the National Sales Manager for its Primary Client Services and Life Agency Divisions. In the Primary Client Services Division, Jim directed the sales effort for the company's retirement products, financial planning capabilities and central asset account. In the Life Agency Division, Jim was responsible for building the infrastructure for this start-up venture. He developed marketing materials, formulated policies and procedures, and recruited and supervised a national network of planning specialists. Jim's extensive knowledge of computer hardware and software applications have served him well in his previous positions and, together with his broad business experience, uniquely positions him for this leadership role with iviewit.com.

Although the current key management team's vast experience is a tremendous asset, iviewit.com understands that it needs to assemble a more diversified, highly qualified

management team. Once funding is secure, iviewit.com intends to fill the following additional key positions within 60 days:

- Chief Financial Officer
- VP Manufacturing
- VP of Licensing

Board of Directors

- **Brian G. Utley, President**
- **Eliot I. Bernstein, Founder & CTO**
- **Simon L. Bernstein, Chairman of the Board** - Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over a billion in life premium sales. Mr. Bernstein's career in the life insurance industry began in 1965 when he became the top producer for Aetna Life and Casualty Company. He has remained in the top 5% of life insurance sales agencies since that time. Mr. Bernstein supplied the initial "angel" investment for iviewit.com.
- **Gerald R. Lewin, Director** - Gerald Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. In 1981, Mr. Lewin joined Donald Goldstein to form Goldstein Lewin & Co., which currently is a leading a 50 man southeastern accounting firm. Mr. Lewin specializes in business consulting and is highly knowledgeable in many areas of accounting, tax and financial planning. Mr. Lewin is a member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.
- **Maurice R. Buchsbaum, Director** - Mr. Buchsbaum has engaged in corporate finance projects as a principal, advisor, consultant, officer, director or senior managing director for the past 27 years. As a partner or senior officer of several leading investment banks (including Drexel Burnham, Kidder Peabody and JW Genesis), he has worked in all aspects of corporate finance. He formed Emerald Capital Partners in early 1999, to provide strategic planning and banking advice to a myriad of small and medium sized American growth companies. He has engaged in numerous public and private transactions and activities that include seed capital, early stage financing, major and late stage strategic finance, restructuring and mergers/acquisitions ranging in size from \$1 million to \$700 million. His industry experience includes health care, technology, telecommunications, biotechnology,

financial services, environmental, and airlines. He holds BS and MBA degrees with honors from Ohio State University, and was a fellow in the doctoral program at Northwestern University.

Strategic Partners & Investors

- **Real 3D®, Inc.** – iviewit.com is currently engaged in a strategic partnership with **Real 3D®, Inc.**, a well-respected technology company that is owned by Lockheed Martin, Silicon Graphics Inc. and Intel, who is providing hosting, serving and technology enhancement services. **Real 3D®, Inc.** has participated in the technology evaluation phase of iviewit.com's proprietary Imaging and Video Streaming products. **Real 3D®, Inc.** has found iviewit.com's web-based products to offer an extraordinary high-resolution panoramic view capability that can have many uses in the e-commerce arena.
- **Huizenga Holdings, Inc.** - Huizenga Holdings Inc. through Investech Holdings, LLC is the founding equity partner of iviewit.com. Huizenga Holdings Inc. brings a strategic portfolio of Internet investments and businesses, which has helped fuel the expansion of iviewit.com's video and imaging technologies.

iviewit.com also has an Advisory Board, Legal Counsel and Business Consultants who bring an extensive knowledge base, business connections and experience to the development of iviewit.com. Please see "Attachment B – iviewit.com's Advisory Board, Legal Counsel and Consultants" for more details.

Market Opportunity & Penetration Strategy

Market Opportunity for Video Streaming

Streaming media is now the most widely used application after browsers and online programs like AOL on the Internet... and it is growing exponentially. Microsoft's Media Player, RealNetworks suite of players and Apple's Quick-Time Player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, *on demand*.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies mentioned above. iviewit.com's suite of technologies will positively affect and benefit all of these parties.

- **End Consumers** – For consumers who have a broadband pipe in their homes, streaming video is the "killer application." The promise of rich visual content defines the reason for paying between \$40 - \$50 per month for the increased bandwidth. It means that consumers can *see* the entertainment, news, product commercials, infomercials and education videos they want at near TV quality. That promise will be maximized by the proliferation of content delivered through and with iviewit.com.

The companies responsible for providing the infrastructure for broadband recognize the importance of promoting enabling technologies and driving media rich content to the web. Their paradigm has shifted to include content creation as a significant element of their overall strategy. Greater availability of quality content on the web will increase demand for the pipes necessary to view it. Similarly, the popularity of software applications that “play” the content files will increase dramatically as iviewit.com’s technologies will enhance any media player operating on a broadband network and provide video quality full screen streaming media.

- **Business to Business (b2b) E-Commerce Sites** - For b2b e-commerce sites, iviewit.com’s technologies will provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product manuals through iviewit.com’s proprietary system, business e-commerce sites can leverage their video and image investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality visual experiences. Licensing these b2b sites will be a primary market focus for iviewit.com’s technologies.
- **Intellectual Property Owners** - For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues etc., iviewit.com’s technologies means that video streaming can finally become a revenue source. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for the small screen, grainy content prevalent on the web today and the pipeline required for serving these files is expensive. iviewit.com’s technologies provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and reducing the digital stream size required to serve them. These solutions are at the core of iviewit.com’s competitive market advantage.
- **Digital Distributors** - For digital video distribution companies, iviewit.com’s technology efficiency is extremely attractive because it minimizes the required file size, and therefore will decrease the cost of business.

In summary, the market potential for iviewit.com’s technologies is enormous. iviewit.com will engage in a high profile launch campaign designed to build awareness for its technologies with all the key market influencers and then concentrate on a licensing program to populate its technologies among b2b and b2c Internet sites.

Market Opportunity for Digital Imaging

Companies are increasingly using digital imaging to promote their products and present information on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat and two-dimensional offering a limited field of view. The alternative, immersive imaging (the ability to create the viewing perspective of being inside the

image), is becoming increasingly popular with many web sites, but is still labor intensive, requires proprietary hardware and severely distorts the image after magnification of 1-2 times.

In contrast, iviewit.com's technologies allow for high quality, full screen imaging with zoomable and panoramic images of up to 360 degrees with very high levels of zoomability. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. iviewit.com processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1.

Market Penetration

iviewit.com has already begun to sell its technologies to various corporations and is currently in negotiations with the following potential clients:

- | | |
|--------------------------------|--------------------------------------|
| • CBS Sportsline.com | • Hollywood.com |
| • 3Com | • Playboy |
| • Hyatt Hotels & Resorts | • Internet Entertainment Group, Inc. |
| • Armstrong Blum Manufacturing | • KidsCamp.com |
| • Atlas Entertainment | • Lovemate.com |
| • Boca Resort & Beach Club | • Machineweb.com |
| • Broadway.com | • Thehealthnetwork.com |
| • Centrack | • University of Florida |
| • @merican enterprise.com | • Versifi |
| • Ezlinksgolf.com | • Webcasts.com |
| • Great Expectations | • West Palm Beach Lexus |
| • | |

iviewit.com has identified various markets to target with its imaging and video streaming technologies. (Please see Attachment C titled "Potential Markets for iviewit.com's Video & Imaging Technologies" for a list of target markets.)

Video streaming and still image enhancement are nascent markets and there are no benchmarks for pricing iviewit.com's proprietary technology enhancements. Therefore, iviewit.com has based its licensing strategy and product penetration on the following information:

- iviewit.com's contract negotiations with current clients
- iviewit.com's understanding of what companies are willing to pay for these technologies, including the business economics of a given industry

iviewit.com has also based its pricing on the fact that there are currently no direct competitors to its technologies. However, as competition prevails and market conditions change, iviewit.com's pricing will adjust accordingly.

iviewit.com realizes that the needs and budget for each customer and indeed across industries vary tremendously. In response to this, iviewit.com will need to specially craft a licensing contract with each customer. However, the following pricing strategy gives an overall projection of what customers on average will be charged for iviewit.com's video streaming and imaging products and services.

Initial Market Introduction Strategy

iviewit.com has elected a two prong strategy to initially market its technologies. The first stage is to target high profile intellectual property owners and distributors, as clients, to encode their images and watermark those images with iviewit.com's logo. Initial clients signed or in negotiation include CBS Sportsline, Hyatt Resorts & Hotels, Broadway.com and Playboy.com. The second stage will focus on acquiring the rights to encode marquee Internet Events, with world-renowned stars that will provide iviewit.com with significant branding opportunities. Properties in negotiation include i.m. Nomad.com, a made for Internet miniseries starring supermodels Heidi Klum, Estella Warren and Rachel Roberts. Additional launch initiatives include opportunities with Billy Joel, CSNY and The Dixie Chicks.

The Company is developing a marketing plan and detailed budget to attack the key business segments as identified in Attachment C. The elements of that plan include: (i) a national print media campaign targeting corporate decision makers for encoding images for commercial websites, (ii) a national b2b Public Relations campaign designed to build awareness and demand for the iviewit.com imaging technologies targeting the streaming media, digital still imaging, and investment communities. (iii) a trade show plan specifying the number of shows the company must attend to promote its imaging technologies and an accompanying plan detailing how the company will effectively present its technologies at those shows (iv) sales collateral materials to support the sales force (v) a plan for the acquisition and exploitation of exclusive internet video events, like iMNomad, to highlight the companies technologies and turbo charge its public relations efforts and (vi) a plan and execution strategy to upgrade iviewit's web site to promote its technologies and support its customers.

The company has budgeted three million dollars in marketing expenditures to undertake these marketing activities. Iviewit.com has initiated a search for an advertising/new media agency and a public relations agency with demonstrated competence in the b2b technology space to assist the company in developing and implementing the marketing plan.

Pricing Model - Video Streaming

iviewit.com will require an annual license to process a video source into an iviewit.com file to be streamed over the Internet. The licensing fee will depend on the number of distributed servers that the customer uses for its web site. The rationale behind this is that the license fee should be greater if the technologies are being used and exploited by a larger number of users. And generally, web sites that have larger number of users require

additional distributed servers. iviewit.com has decided to use distributed servers as a usage benchmark (instead of number of hits to the web site streaming the video) because of the ease in benchmarking the fee to clients.

iviewit.com will also charge a per minute fee for the processing of the video. Depending on the needs of the client, the processing of the video will vary greatly. For example, an advertising agency focused on optimizing 30 and 60 second spots will have vastly different requirements than a worldwide hotel chain with three to five minute infomercials on each property. Additionally, there are different levels of processing costs associated with the image quality required by the client. For a client that does not require frame by frame analysis of its video (i.e. a video segment on a local community college), the amount of labor to process the video is minimal and the cost will be approximately \$5 a minute to process. For clients who require editing for their video, iviewit.com will charge incremental fees priced to account for the time and labor involved.

Although not a core part of its business, iviewit.com will offer video hosting for those clients who need a complete video streaming solution. The monthly storage, database maintenance and serving fee will be based on the number of gigabytes hosted by iviewit.com. iviewit.com sees this pricing model as part of its overall plan to identify and "brand" itself as a total solution service-oriented business for its clients. iviewit.com will outsource this service with several partners according to the scope and scale of the client requirements.

The following outlines the approximate fees for licensing the technologies and video processing.

Video License Charges:		First year	Following years
	Video and image master server	\$25,000	\$22,500
	1st distributed server	\$5,000	\$4,500
	Additional distributed servers	\$2,500	\$2,250
Video Processing		\$/min.	
	Processing of VHS or S-VHS tape to video player format	\$5.00	\$5.35
	Processing of VHS or S-VHS tape to video player format with frame editing	\$40.00	\$42.80
Video Hosting, Monthly Charges		\$/GB/mo.	
	Storage and Data Base Maintenance	\$12.00	\$13.00
	Serving Fee	\$35.00	\$38.00

Pricing Model - Imaging

iviewit.com will require an annual license fee to process still images to a zoomable and/or panoramic iviewit.com digital image. The licensing fee will increase with additional distributed servers used by the customer.

In addition, if the client requires, iviewit.com will arrange for hosting of the images through its strategic alliance with MPI.net.

iviewit.com will offer a turnkey suite of services to its customers that include: capturing, processing and hosting the images. (Please see the section titled “Digital Imaging” under the Products and Services Description for details on the types of images iviewit.com can create.) In addition to the per image processing fee, iviewit.com will also charge a monthly fee for the number of images served..

The following outlines the approximate fees for licensing the imaging technologies, capturing, processing, serving and hosting.

Image License Charges:		First year	Following years
Image only master server		\$1,800	\$1,620
Distributed server		\$800	\$720
Additional distributed server		\$400	\$360
Image Capture, Processing and Hosting:		Each	
Single shot		\$68	
Quarter Pan and Zoom		\$225	
Half Pan and Zoom		\$435	
Three quarter Pan and Zoom		\$655	
Full Pan and Zoom		\$855	
Monthly Charge Schedule Based on Site Connections:		Rate \$	
	Schedule 1 - 1 to 4,999 hits	0.10	
	Schedule 2 - 5,000 to 9,999 hits	0.07	
	Schedule 3 - 10,000 to 24,999 hits	0.05	
	Schedule 4 - 25,000 + hits	0.03	
	Monthly minimum of \$150		

Competitive Analysis

Streaming Media

There are no direct competitors to iviewit.com in the streaming media industry. Software providers, digital distributors, content

Industry	Company Examples
Software Providers	MS Media Player, RealNetworks
Digital Distributors	InterVU, iBeam, Akamai
Content Providers	Broadcast.com, AtomFilms.com, Den.net
Encoding Services	Loudeye, Sonic Foundry, VideoDome.com

Table 1.0 – Potential Strategic Partners or Licensees

providers, and encoding services will benefit from the increased use of iviewit.com’s technologies and may be potential strategic partners or licensees.

Although a truly different product than iviewit.com’s, encoding services can be considered indirect competitors. The following describes the key companies in the encoding industry:

- **Loudeye** – Loudeye, originally encoding.com, is a provider of digitizing and encoding services and offers streaming media production. Loudeye’s Optimized Encoding Process™ and proprietary software offers media compression. The

company's partnership with platform developers such as Microsoft, Apple and RealNetworks allows codec support.

- **Sonic Foundry** - Sonic Foundry, Inc. is a provider of PC-based software products that enable users to easily work with and edit digital media. Sonic Foundry's products are used for multimedia and Internet applications, music and audio post-production, broadcast production, and digital content creation. Sonic Foundry's products and services offer media consumers the ability to capture and create media, edit the content, and deliver the information via fixed media or electronic distribution. The company's products are designed to run under both the Windows and Windows NT operating systems.
- **VideoDome.com** – VideoDome.com is a provider of Internet video OnDemand solutions. Using its InstaStream system, the company enables the conversion of standard video footage to video on demand. VideoDome.com offers broadcasting media either via a listing in the VideoDome OnDemand Channel Directory, a company's own existing web site, or a dedicated channel with various features including chat, user subscription options and client customization.

Digital Imaging

There are various companies offering digital imaging services over the Internet. However, as described in the Products and Services section, iviewit.com offers full screen higher quality images that are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. None of iviewit.com's competitors can provide this type of quality imaging.

The following describes the major competitors to iviewit.com in the digital imaging industry:

- **Bamboo.com** – Bamboo.com provides virtual tours of real estate properties for sale or rent. The tours allow users to view the inside and outside of properties, panning right and left or zooming.. Bamboo.com charges real estate agents a one-time fee to videotape a property, convert the videotape into a virtual tour, and distribute the tour through Internet sites or e-mail. The company markets its tours through agreements with Web sites such as REALTOR.com and HomeBuilder.com.
- **Interactive Pictures Corporation (IPIX)** - The company's IPIX technology is used by travel and hospitality (Marriott), publishing (New York Times), real estate (ERA), education (National Geographic), and entertainment (Disney) companies to enhance multimedia content, interactivity, and e-commerce on Web sites. Its Wizard software (sold on a per-use basis) converts two photos taken with a digital camera into one IPIX image.

- **Live Picture / MGI Software** – Live Picture, Inc. (LPI) provides Internet imaging and is the inventor of zoomable images for the Internet. Live Picture develops and sells a complete suite of image servers and Internet and consumer applications based on its Zoom image technology. .
- **Ulead Systems, Inc.** – Ulead Systems was founded in 1989 to develop and market Windows-based imaging and video production tools that allow people to share their ideas and memories. The company provides imaging, video, 3D and Internet software for business and personal communication.

Comparative Review of Major Imaging Features

Company	Full Screen	Singe Image Zoom	Image Distortion	Pixelation Upon Zoom	Panning Ability
Bamboo	No	Yes	Yes	Yes	Up, Dn, Lt, Rt
IPIX	No	Yes	Yes	Yes	Lt, Rt
MGI Software	No	Yes	Yes	Yes	Up, Dn, Lt, Rt
Ulead	No	No	Yes	Yes	Up, Dn, Lt, Rt
iviewit.com	Yes	Yes	No	No	Up, Dn, Lt, Rt

Table 2.0 – Imaging Competitor Analysis

Timeline

Date	Milestone
Second Quarter 2000	Close the Next Traunch of Financing
	Secure Content for Launch of iviewit.com
	Begin Viral Marketing Campaign of iviewit.com
February – April, 2000	Hire Additional Key Executives and Staff
April 15, 2000	Official Marketing Campaign Begins
	Sales & Marketing Team Approaching Potential Clients
May 15, 2000	Official Launch of iviewit.com
Late 2000	Close the Follow-on Traunch of Financing, if necessary
Mid - Late 2001	Exit Strategies May Include: IPO, Partnering with Another Company, Spin-off of Technologies Application and/or Create Multiple Companies for Different Markets

Financial Summary

iviewit.com is seeking \$10 million in capital to grow its current operations. The funds will be used to expand the management team, build the production capacity and promote and market the company and its offerings. The projected financial statements can be found in appendix A.

The substantial investment in marketing and promotion is expected to impact business volumes which will result in a break-even in 20 months. By the end of the second year iviewit.com is expected to have an NEBT of \$7.9M.

Exit Strategy

During the second year there are several exit strategy opportunities that could be employed to give investors liquidity if desired. The following are possible examples:

- Initial Public Offering
- Acquisition
- Spin-off
- Create multiple companies

Attachment A – Financial Projections



"iviewit
Financials.xls"

If you would like a hard copy of the financials, please run the above Excel executable and print the financials. Once you open the excel workbook, go VIEW then PRINT PREVIEW and then click the printer icon.

Attachment B – iviewit.com’s Advisory Board, Legal Counsel and Consultants

Advisory Board

- **Donald G. Kane** – Mr. Kane is President of GDI, a privately held holding company that controls 4 business-to-business Internet companies. Prior to joining GDI, Don was a Managing Director in the Investment Banking Division of Goldman Sachs & Co. During his fourteen-year career at Goldman Sachs, Don created the firm's Midwest Financial Institutions practice and founded a Global Financial Institutions Technology Group. Don is a Board member and Vice Chairman of Sagece Systems, Inc., a GDI company and is a member of the Board of Versifi, Inc. and Ergo Systems. Don is an advisor to Signcast, Inc., Gryphon Holdings and Capita Technologies. He is a member of the Kellogg Graduate School of Management Advisory Board at Northwestern University and is a member of the Board of the Metropolitan YMCA of Chicago.
- **Alan J. Epstein** –Mr. Epstein is a shareholder of the entertainment law firm Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C., which is based in Los Angeles. Alan's law practice consists of advising Internet companies on various issues pertaining to the entertainment industry, including the creation, licensing and acquisition of content, the introduction and negotiation of strategic partner relationships, and various other matters relating to the convergence of technology and content. Alan also advises his firm's numerous celebrity clients on the exploitation and protection of their name and likeness rights and content on the Internet, as well as merchandising, endorsement and sponsorship deals. Prior to entering the UCLA School of Law, Alan was a certified public accountant at Deloitte Haskins & Sells in Dallas, Texas.
- **Christopher C. Wheeler** – Mr. Wheeler is a member of Proskauer Rose LLP's Corporate Department and a partner in the Florida office, has a versatile transactional practice. Chris has had extensive experience in real estate and corporate law, institutional lending and workouts, administrative law and industrial revenue bond financing. Moreover, he serves as a strategist and counselor to many clients in handling their other legal and business matters. Chris is well-versed in general corporate law as well as mergers and acquisitions and securities matters. He has guided companies from startup through initial private placements to public offerings. A graduate of Hamilton College and Cornell Law School, Chris was a member of the managing Board of Editor of the Cornell Law Review.
- **Kenneth Rubenstein** –Mr. Rubenstein is a partner at Proskauer Rose LLP law firm and is the patent attorney for iviewit.com. He is a registered patent attorney before the U.S. Patent & Trademark Office. Ken counsels his clients with respect to the validity and infringement of competitors' patents, as well as prosecutes patent applications. For the past several years Ken has worked on the formation of a patent pool, for MPEG-2 technology, involving large consumer electronics and

entertainment companies. Ken is also a former member of the legal staff at Bell Laboratories. Ken received his law degree, cum laude, from New York Law School and his Ph.D. in physics from the Massachusetts Institute of Technology where he also graduated with a B.S. Degree.

- **Raymond A. Joao** – Mr. Joao heads Meltzer, Lippe’s Intellectual Property Rights, Patents, Copyrights and Trademarks Group. He specializes in intellectual property law, including patents, trademarks and copyrights, as well as technology transfers. He has extensive experience in patent prosecution, licensing and litigation in the fields of computer software and hardware, communication networks, electronics, the Internet, financial modeling and mechanical devices. Ray is adept at dealing with high technology companies and other companies looking to patent not only their physical inventions but new business methods as well.

Legal Counsel

- **Proskauer Rose LLP** -is one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients through the United States and around the world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.
- **Armstrong Hirsch Jackoway Tyerman & Wertheimer** – is one of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting in developing the business structure of iviewit.com.
- **Meltzer Lippe Goldstein & Schlissel, P.C.** – The firm’s focus is providing legal and business-related services to high-technology companies. These services include public offerings, venture financing, mergers and acquisitions, executive compensation strategies, tax structuring, intellectual property audits, patents, patent licensing and corporate and intellectual property litigation services. Meltzer Lippe practices in more than 20 legal disciplines and acts as General Counsel to the Long Island Venture Fund, Newlight Associates, L.P., and LISTnet, where they are also a Founder. The firm served as outside General Counsel to Cheyenne Software, Inc. until it merged with Computer Associates International Ltd.

Consultants

- **Daniel Socolof** – Mr. Socolof is the founder and CEO of the Marketing Entertainment Group of America, Inc., an entertainment production and marketing

company. Mr. Socolof has created national branding events and campaigns for the world's largest and most important intellectual property owners including MTV, Pepsi, Nintendo, Proctor and Gamble, SC Johnson, Anheuser-Busch, Apple Computers, Philips Electronics and many other top tier entertainment and global consumer products organizations.

- **Mike McGinley** – Mr. McGinley is the founder of SRO Consultants, a Los Angeles based international consulting firm that provides a wide range of business and management services for the entertainment and music industry. SRO Consultants provides strategic consulting and marketing/cross promotions to industry leaders such as Microsoft, DirecTV, Best Buy, InterVU and Music Choice. Additionally, SRO handles tour accounting for more than 100 major clients including Sting, Neil Young, the Rolling Stones and Tom Petty. Mr. McGinley is a Certified Public Accountant who received his B.A. in business administration from the University of Montana.
- **Eric M. Chen** - Mr. Chen is an honors graduate from Harvard University. He has spent much of his career in the field of investment banking where he has specialized in advising, financing and guiding the growth strategies of many health care companies. His areas of expertise include biotechnology, medical diagnostics, and new emerging drug technology and delivery systems. He has served as an analyst, Senior Vice President and Managing Director for several Wall Street firms including Furman Selz, Hambrecht & Quist, Fechtor Detwiler and Southeast Research Partners. Much of his activities have focused upon early stage growth companies in both the public and private sectors. He has analyzed companies in a wide variety of industries, which include vision care, telecommunications, computer storage, software applications and data management. Mr. Chen is the President of Emerald Capital Partners, which he co-founded with Mr. Buchsbaum, since his departure from Southeast Research Partners in early 1999.

Attachment C – Potential Markets for iviewit.com’s Video & Imaging Technologies

Market	Video	Image
3D Graphics		X
Advertising	X	X
Art		X
Automotive *	X	X
Commercial Properties	X	X
Computer Games	X	X
Entertainment *	X	X
Executive Search, Modeling, Casting & Dating Services *	X	X
Health Care *	X	X
High value Auctions	X	X
High-end Luxury (e.g. Boats & Airplanes)	X	X
Hotels & Resorts *	X	X
Image Libraries		X
Medical Imaging *	X	X
Military & Government	X	X
Residential Properties	X	X
Software Applications	X	
Sports *	X	X

* iviewit.com is actively pursuing these markets

iviewi.com, Inc.
**STATEMENTS OF PROJECTED ASSETS, LIABILITIES,
AND EQUITY-MODIFIED CASH BASIS
YEARS ENDING FROM EXPANSION OF OPERATIONS**

	<u>YEAR 1</u>	<u>YEAR 2</u>
CASH	\$ 5,403,056	\$ 11,330,601
PROPERTY, PLANT & EQUIPMENT	525,200	1,447,169
LESS: ACCUMULATED DEPRECIATION	<u>149,842</u>	<u>550,377</u>
TOTAL ASSETS	<u>\$ 5,778,414</u>	<u>\$ 12,227,393</u>
COMMON STOCK	\$ 100,000	\$ 100,000
ADDITIONAL PAID-IN CAPITAL	9,900,000	9,900,000
RETAINED EARNINGS(DEFICIT)	<u>(4,221,586)</u>	<u>2,227,393</u>
TOTAL EQUITY	<u>\$ 5,778,414</u>	<u>\$ 12,227,393</u>

See Accompanying Accountant's Compilation Report and Summary
of Significant Projection Assumptions and Accounting Policies

iviewit.com, Inc.
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FOR THE TWO YEARS FROM EXPANSION OF OPERATIONS

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GOLDSTEIN LEWIN & CO.

Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

Board of Directors
iviewit.com, Inc.
Boca Raton, Florida

We have compiled the accompanying statements of projected assets, liabilities and equity-modified cash basis of iviewit.com, Inc., for each of the two years from expansion of operations and the related statements of projected revenue and expenses-modified cash basis, cash flows-modified cash basis and supplemental projection information-income tax basis for each of the two years then ending in accordance with standards established by the American Institute of Certified Public Accountants.

The accompanying projected statements, supplemental projected information, and this report were prepared to help the Company obtain equity financing and should not be used for any other purpose.

A compilation is limited to presenting, in the form of a projected financial statement and supplemental projection information, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the projection. We have not examined the projected financial statements and supplemental projection information and, accordingly, do not express an opinion or any other form of assurance on the accompanying projected statements, supplemental projection information or assumptions. Furthermore, even if the hypothetical assumptions described in Note 1 materialize, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We are not independent with respect to iviewit.com, Inc.

S. GOLDSTEIN LEWIN & CO.

Boca Raton, Florida
February 12, 2000

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Board Room, Florida
Fort Lauderdale, FL 33309
Refer to Book Address

iviewi.com, Inc.
**STATEMENTS OF PROJECTED ASSETS, LIABILITIES,
AND EQUITY-MODIFIED CASH BASIS
YEARS ENDING FROM EXPANSION OF OPERATIONS**

	<u>YEAR 1</u>	<u>YEAR 2</u>
CASH	\$ 5,403,056	\$ 11,330,601
PROPERTY, PLANT & EQUIPMENT	525,200	1,447,169
LESS: ACCUMULATED DEPRECIATION	<u>149,842</u>	<u>550,377</u>
TOTAL ASSETS	<u>\$ 5,778,414</u>	<u>\$ 12,227,393</u>
COMMON STOCK	\$ 100,000	\$ 100,000
ADDITIONAL PAID-IN CAPITAL	9,900,000	9,900,000
RETAINED EARNINGS(DEFICIT)	<u>(4,221,586)</u>	<u>2,227,393</u>
TOTAL EQUITY	<u>\$ 5,778,414</u>	<u>\$ 12,227,393</u>

See Accompanying Accountant's Compilation Report and Summary
of Significant Projection Assumptions and Accounting Policies

iviewi.com, Inc.
**STATEMENTS OF PROJECTED REVENUE AND
EXPENSES-MODIFIED CASH BASIS
FOR THE TWO YEAR PERIOD FROM EXPANSION OF OPERATIONS**

	<u>YEAR 1</u>	<u>YEAR 2</u>
REVENUE	\$ 2,610,010	\$ 18,310,061
COST OF GOODS SOLD	<u>1,839,370</u>	<u>3,244,822</u>
GROSS PROFIT	770,640	15,065,239
OPERATING EXPENSES	<u>4,842,384</u>	<u>6,730,796</u>
NET OPERATING PROFIT (LOSS)	(4,071,744)	8,334,443
DEPRECIATION EXPENSE	<u>149,842</u>	<u>400,535</u>
INCOME (LOSS) BEFORE INCOME TAX EXPENSE	(4,221,586)	7,933,908
INCOME TAX EXPENSE	<u>-</u>	<u>1,484,929</u>
NET INCOME (LOSS)	<u>\$ (4,221,586)</u>	<u>\$ 6,448,979</u>

See Accompanying Accountant's Compilation Report and Summary
of Significant Projection Assumptions and Accounting Policies

iViewit.com, Inc.
**STATEMENTS OF PROJECTED CASH FLOWS - MODIFIED CASH BASIS
 FOR THE TWO YEAR PERIOD**

	<u>YEAR 1</u>	<u>YEAR 2</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCOME (LOSS)	\$ (4,221,586)	\$ 6,448,979
ADJUSTMENTS:		
DEPRECIATION	<u>149,842</u>	<u>400,535</u>
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(4,071,744)	6,849,514
CASH FLOWS FROM INVESTING ACTIVITIES:		
PAYMENTS FOR FIXED ASSETS	<u>(525,200)</u>	<u>(921,969)</u>
CASH USED IN INVESTING ACTIVITIES	(525,200)	(921,969)
CASH FLOWS FROM FINANCING ACTIVITIES:		
PROCEEDS FROM INVESTOR FINANCING:	<u>10,000,000</u>	<u>-</u>
CASH PROVIDED BY FINANCING ACTIVITIES	10,000,000	
INCREASE IN CASH	5,403,056	5,927,545
CASH - BEGINNING	<u>-</u>	<u>5,403,056</u>
CASH - ENDING	<u><u>\$ 5,403,056</u></u>	<u><u>\$ 11,330,601</u></u>

See Accompanying Accountant's Compilation Report and Summary
 of Significant Projection Assumptions and Accounting Policies

iviewit.com, Inc.
SUMMARY OF SIGNIFICANT PROJECTIONS,
ASSUMPTIONS AND ACCOUNTING POLICIES

NOTE 1: NATURE AND LIMITATIONS OF PROJECTIONS

The accompanying projected financial statements present, on the modified cash basis of accounting, and to the best of the developer and management team's knowledge and belief, iviewit.com Inc.'s (the "Company") expected assets, liabilities and equity as of the end of each projection period and the expected results of its operations and its cash flows for the projection periods, based upon a hypothetical assumption. It has been assumed that equity financing of \$10,000,000 will be obtained from venture capital sources. The operational revenue and expenses have been based upon the developer's research of companies in similar industries. The projected statements reflect the developer's judgement at February 12, 2000, the date of these projections, of the expected conditions and the expected course of action if the hypothetical assumption materializes. Because events and circumstances frequently do not occur as expected, even if the hypothetical assumption materializes, there will usually be differences between projected and actual results, and those differences may be material. The following is a summary of assumptions that the developer believes are significant to the projection and schedules providing additional information about the items discussed.

NOTE 2: BASIS OF ACCOUNTING

The financial projection has been prepared on the Modified Cash Basis of Accounting which differs from generally accepted accounting principals in that revenue is recorded when received rather than when earned and expenses are recorded when paid instead of when incurred.

NOTE 3: NATURE OF OPERATIONS DURING THE PROJECTION PERIOD

The developer of the Company's technologies, Eliot Bernstein, and his management team are seeking an equity investment of \$10,000,000 to expand operations of an internet-based service company to a commercial scale. The Company has set up offices and prototype production facility in Boca Raton, Florida and web and web site support in Orlando, Florida. Potential clients for the imaging and digital video encoding services include: hotel & resort properties, entertainment, advertising, automotive, health care, executive search, modeling and dating industries. The Company will expand operations as soon as the equity financing is received. The Company plans to assemble an additional staff of managers, technicians, sales and administrative personnel during the projection period. In addition, the Company will be continuing to purchase computers, software, office equipment and furnishings. It is anticipated that approximately \$525,000 of computers, furniture and other equipment will be purchased in the first year and approximately an additional \$922,000 will be purchased in the second year.

See Accountant's Compilation Report

iviewit.com, Inc.
SUMMARY OF SIGNIFICANT PROJECTIONS,
ASSUMPTIONS AND ACCOUNTING POLICIES

NOTE 4: REVENUE

images and videos on the Internet. For each client, the revenue is based upon video or image size and the number of items hosted. Revenue is calculated quarterly and allocated 25% to month 1, 35% to month 2 and 40% to month 3. The following is a summary of the revenue assumptions for each division by year:

VIDEO STREAMING

Quarter	Video/Image Master Server	1st Additional Distributed Server	Additional Distributed Server	Video	Video	Video Hosting	Serving Fee	Total	Total/Yr
				Processing without Frame Touch Ups	Processing with Frame Touch Ups				
1	\$193,750	\$11,625	\$9,688	\$76,543	\$25,514	\$4,784	\$36,585	\$358,489	
2	106,250	6,375	5,313	149,674	49,891	9,355	53,542	380,400	
3	175,000	10,500	8,750	246,110	82,037	15,382	82,286	620,065	
4	300,000	18,000	15,000	435,744	145,248	27,234	120,570	1,061,796	\$2,420,750
5	405,000	24,300	20,250	764,986	254,995	51,796	207,868	1,729,194	
6	607,500	36,450	30,375	1,320,523	440,174	89,410	329,547	2,853,980	
7	967,500	58,050	48,375	2,281,930	760,643	154,506	514,796	4,785,799	
8	1,575,000	94,500	78,750	3,961,920	1,320,640	268,255	816,923	8,115,988	\$17,484,961
Total	\$4,330,000	\$259,800	\$216,500	\$9,237,430	\$3,079,143	\$620,721	\$2,162,116	\$19,905,711	\$19,905,711

IMAGING

Quarter	Image Only Master Server	1st Addl Distributed Server	Additional Distributed Server	Image	Quarterly	Total	Total/Yr
				Capture, Processing & Hosting	Charge Based on Hits on Site		
1	\$15,300	\$1,360	\$340	\$20,077	\$3,698	\$40,775	
2	8,100	3,600	1,800	10,629	5,655	29,784	
3	12,600	5,600	2,800	16,534	8,700	46,234	
4	19,800	8,800	4,400	25,982	13,485	72,467	\$189,260
5	25,920	11,520	5,760	37,792	20,445	101,437	
6	37,260	16,560	8,280	54,326	30,450	146,876	
7	58,320	25,920	12,960	85,032	46,110	228,342	
8	89,100	39,600	19,800	129,910	70,035	348,445	\$825,100
Total	\$266,400	\$112,960	\$56,140	\$380,282	\$198,578	\$1,014,360	\$1,014,360

See Accountant's Compilation Report

Phillips, Jon

From: RBarretto@henson.com
Sent: Thursday, May 18, 2000 11:16 AM
To: JPhillips@AHJTW.com
Subject: Fwd: Talent Agreement Template (Switzer)

>Date: Wed, 17 May 2000 12:07:06 -0700
>To: "Galker, Andrew" <AGalker@AHJTW.com>
>From: Rossana Barretto <RBarretto@henson.com>
>Subject: Talent Agreement Template (Switzer)
>
>
>
>Hi,
>
>Ada asked me to let you know that we received the redlined Rider to
>Performer Contract template (JHTOFM.doc) and Bill Switzer's "Schedule
1"
>(JHKBS.doc), but not the McKean documents she requested.
>
>The McKean11.doc you sent was actually a timesheet. (tee hee)
>
>Please email the McKean docs at your earliest convenience.
>
>Many thanks...

iviewit.com, Inc.
SUMMARY OF SIGNIFICANT PROJECTIONS,
ASSUMPTIONS AND ACCOUNTING POLICIES

NOTE 5: EXPENSES OTHER THAN DEPRECIATION

Substantially all of the expenses for the varying expected revenue levels are based upon management's research of existing Internet companies and the business experience of the individual management team members.

The following summarizes significant assumptions for projected expenses and other items:

- A. Cost of goods sold is based upon the per unit cost of production and an allocation of the production related operating expenses. The following are the allocation percentages for operating expenses attributable to cost of goods sold:

Expense	Cost of Goods Sold %
Rent - Office	40%
Rent - Plant	100%
Utilities	70%
Telephone	40%
Sub-contract, Real 3-D	100%
Real 3D Equipment purchase	100%
Sub-contract, photography	100%
Travel	15%
Misc. Expense	50%
Legal & Accounting	10%
Patent	100%
Consulting	25%

- B. Rent expense is based upon an office in Boca Raton, Florida and a plant facility to be established in the sixth month of the first year.
- C. Payroll expense is based upon the annual salaries of the various different classifications of employees which will be required. Payroll expense consists of annual salary, employee benefits and payroll taxes. Employee benefits and payroll taxes are estimated at 15% of annual salary. The following is a summary of the significant payroll assumptions:

See Accountant's Compilation Report

iviewit.com, Inc.
SUMMARY OF SIGNIFICANT PROJECTIONS,
ASSUMPTIONS AND ACCOUNTING POLICIES

NOTE 5: EXPENSES OTHER THAN DEPRECIATION (CONTINUED)

Officers:

Position	Aggregate Number Hired	Payroll Expense	Months/ Employees	Salary Increase Assumption	Cost of Goods Sold %
President	1	\$173,000	1-24/1	\$107,000	0%
Founder	1	210,000	1-24/1	20,000	50%
Chief Financial Officer	1	174,000	3-24/1	12,000	0%
Chief Operating Officer	1	162,000	4-24/1	12,000	20%
Chief Technical Officer	1	130,000	3-24/1	25,000	0%

Professional:

Position	Aggregate Number Hired	Payroll Expense	Months/ Employees	Salary Increase Assumption	Cost of Goods Sold %
Director of Marketing	2	\$85,000	1-24/2	\$8,000	0%
Accountant	1	52,000	1-24/1	5,000	0%
VP of Sales & Marketing	1	85,000	1-24/1	8,000	0%
VP of Manufacturing	1	162,000	2-24/1	12,000	0%
Technician	2	40,000	1-24/2	4,000	100%

Production:

Position	Aggregate Number Hired	Payroll Expense	Months/ Employees	Salary Increase Assumption	Cost of Goods Sold %
Production Manager	1	\$55,000	1-24/1	\$15,000	100%
Production Staff	32	35,000	1/1;2/2;3/4;4/6;5/7;6/10;7/11; 8/13;9/14;10/15;11/16;12- 13/17;14/19;15/20;16/22;17- 18/23;19/25;20- 21/28;22/30;23-24/32	3,000	100%

See Accountant's Compilation Report

iviewit.com, Inc.
SUMMARY OF SIGNIFICANT PROJECTIONS,
ASSUMPTIONS AND ACCOUNTING POLICIES

NOTE 5: EXPENSES OTHER THAN DEPRECIATION (CONTINUED)

Sales:

Position	Aggregate		Months/ Employees	Salary Increase Assumption	Cost of Goods Sold %
	Number Hired	Payroll Expense			
Sales support/ production sched.	7	\$35,000	1-2/1;3-8/2;9-12/3;13-14/4;15-16/5;17-19/6;20-24/7	\$3,000	100%
Sales staff	15	72,000	1/2;2-3/3;4-6/5;7-8/6;9-12/8;13-14/10;15-11/11;16-17/12;18-19/14;20-24/15	3,000	0%

Administrative:

Position	Aggregate		Months/ Employees	Salary Increase Assumption	Cost of Goods Sold %
	Number Hired	Payroll Expense			
Assistant 1	1	\$40,000	1-24/1	\$4,000	0%
Assistant 2	1	29,000	1-24/1	3,000	0%
Secretary/Admin	6	28,000	2-4/1;5-7/2;8-12/3;13/4;14-17/5;18-24/6	3,200	0%
Management	7	65,000	3-5/1;6/2;7-12/3;13-15/5;16-20/6;21-24/7	6,000	20%

- D. Promotion and Trade Shows is projected to average \$153,000 per month in Year 1 and \$176,000 in Year 2.
- E. Legal and Accounting Fees, excluding annual audit fees, are projected to be \$50,000 in month 1, \$60,000 in months 2-4, \$55,000 in month 5, \$35,000 in months 6-12 and are expected to average approximately \$45,000 per month in months 13-24.
- F. Subcontractor Real 3D expense is expected to be \$28,000 in month 1, \$31,000 in month 2, \$33,000 in months 3-4, \$35,000 in months 5-6, \$37,000 in months 7-8, \$38,000 in month 9, \$40,000 in months 10-12 and average \$51,000 per month in months 13-24.
- G. Consulting Expense for marketing, production and auditing purposes is expected to be \$37,000 in months 1-2, \$40,000 in months 3-5, \$44,000 in months 6-12 and average approximately \$56,000 in months 13-24.
- H. All other expenses are based on projected revenue increases taking into account economies of scale in accordance with management's experience

See Accountant's Compilation Report

iviewit.com, Inc.
**SUMMARY OF SIGNIFICANT PROJECTIONS,
ASSUMPTIONS AND ACCOUNTING POLICIES**

NOTE 6: INCOME TAXES

Income taxes have been provided for at 40% of net income in the period when prior losses are exceeded as if payments will be required at that time.

NOTE 7: DEPRECIATION

Depreciation is computed using straight-line methods over the useful life of the assets as follows:

Type of Asset	Useful Life
Software	2 years
Computers and Video Equipment	3 years
Telephone System	5 years
Furniture and Fixtures	7 years

See Accountant's Compilation Report

ifenet.com, Inc
STATEMENTS OF PROJECTED REVENUE AND EXPENSES - MODIFIED CASH BASIS BY MONTH
YEAR ONE

	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	Total
REVENUE													
Video Streaming	\$ 89,822	\$ 125,471	\$ 143,396	\$ 95,100	\$ 133,140	\$ 152,160	\$ 155,016	\$ 217,023	\$ 248,026	\$ 265,449	\$ 371,629	\$ 424,718	\$ 2,420,751
Imaging	13,194	14,271	16,310	7,446	10,424	11,914	11,559	16,182	18,494	18,117	25,363	28,987	189,260
	99,816	139,742	159,706	102,546	143,564	164,074	166,575	233,205	266,520	283,566	396,992	453,705	2,610,010
COST OF GOODS SOLD	88,243	103,339	115,081	133,568	129,750	165,230	163,282	170,504	188,094	186,028	190,971	205,282	1,839,370
GROSS PROFIT	11,573	36,403	44,625	(31,021)	13,815	(1,156)	3,293	62,701	78,426	97,538	206,021	248,424	770,640
OPERATING EXPENSES													
Rent - Office	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	104,400
Utilities	660	660	660	660	660	660	660	660	660	660	660	660	7,920
Telephone	1,080	1,320	1,320	1,320	1,320	1,320	2,160	2,160	2,160	2,160	2,160	2,160	21,480
Travel	8,500	11,050	14,450	16,150	16,150	17,000	17,850	17,850	19,550	21,250	21,250	21,250	201,450
Business entertainment	2,500	3,000	3,500	3,500	3,500	4,500	4,500	4,500	5,000	5,000	5,000	5,000	49,500
Promotion & Trade Shows	100,000	65,000	75,000	100,000	110,000	135,000	185,000	185,000	220,000	220,000	220,000	220,000	1,835,000
Misc. Expense	1,000	1,750	1,925	2,118	2,330	2,563	2,819	3,101	3,411	3,752	4,127	4,540	33,436
Insurance, D & O	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Insurance, Gen Liab	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Legal & Accounting	45,000	54,000	54,000	54,000	49,500	31,500	31,500	31,500	31,500	31,500	31,500	31,500	477,000
Consulting	27,750	27,750	30,000	30,000	30,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	376,500
Payroll	66,499	88,332	117,999	140,799	143,132	147,464	157,798	160,131	172,131	172,131	172,131	172,131	1,710,678
	263,389	263,262	309,254	358,947	366,992	384,907	445,497	448,962	498,472	500,513	500,888	501,301	4,842,384
NET OPERATING PROFIT (LOSS)	(251,816)	(226,859)	(264,629)	(389,968)	(353,177)	(386,063)	(442,204)	(386,261)	(420,046)	(402,975)	(294,867)	(252,877)	(4,071,744)
DEPRECIATION EXPENSE	(12,487)	(12,487)	(12,487)	(12,487)	(12,487)	(12,487)	(12,487)	(12,487)	(12,487)	(12,487)	(12,486)	(12,486)	(149,842)
INCOME (LOSS) BEFORE INCOME TAX	(264,303)	(239,346)	(277,116)	(402,455)	(365,664)	(398,550)	(454,691)	(398,748)	(432,533)	(415,462)	(307,353)	(265,363)	(4,221,586)
INCOME TAX EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INCOME (LOSS)	\$ (264,303)	\$ (239,346)	\$ (277,116)	\$ (402,455)	\$ (365,664)	\$ (398,550)	\$ (454,691)	\$ (398,748)	\$ (432,533)	\$ (415,462)	\$ (307,353)	\$ (265,363)	\$ (4,221,586)

ifewi.com, Inc.
STATEMENTS OF PROJECTED REVENUE AND EXPENSES - MODIFIED CASH BASIS BY MONTH
YEAR TWO

	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	Total
REVENUE													
Video Streaming	\$ 432,299	\$ 605,218	\$ 691,678	\$ 713,495	\$ 998,893	\$ 1,141,592	\$ 1,196,450	\$ 1,675,030	\$ 1,914,320	\$ 2,028,997	\$ 2,840,596	\$ 3,246,395	\$ 17,484,961
Branding	25,359	35,503	40,575	36,719	51,407	58,750	57,086	79,920	91,337	87,111	121,956	139,378	823,100
	457,658	640,721	732,253	750,214	1,050,300	1,200,342	1,253,535	1,754,949	2,005,656	2,116,108	2,962,551	3,385,773	18,310,061
COST OF GOODS SOLD	228,876	228,876	228,876	256,581	256,581	256,581	284,463	284,463	284,463	311,687	311,687	311,687	3,244,822
GROSS PROFIT	228,782	411,845	503,377	493,633	793,718	943,761	969,072	1,470,486	1,721,193	1,804,421	2,650,864	3,074,086	15,065,239
OPERATING EXPENSES													
Rent - Office	9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	114,840
Utilities	1,848	1,848	1,848	2,033	2,033	2,033	2,236	2,236	2,236	2,460	2,460	2,460	25,731
Telephone	2,376	2,376	2,376	2,614	2,614	2,614	2,875	2,875	2,875	3,162	3,162	3,162	33,081
Travel	23,375	23,375	23,375	25,713	25,713	25,713	28,284	28,284	28,284	31,112	31,112	31,112	325,452
Business entertainment	5,500	5,500	5,500	6,050	6,050	6,050	6,655	6,655	6,655	7,321	7,321	7,321	76,578
Promotion & Trade Shows	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	2,112,000
Misc. Expense	4,553	4,553	4,553	5,008	5,008	5,008	5,509	5,509	5,509	6,060	6,060	6,060	63,390
Insurance, D & O	1,650	1,650	1,650	1,815	1,815	1,815	1,997	1,997	1,997	2,196	2,196	2,196	22,974
Insurance, Gen Liab	220	220	220	242	242	242	266	266	266	293	293	293	3,063
Legal & Accounting	34,650	34,650	34,650	38,115	38,115	38,115	41,927	41,927	41,927	46,119	46,119	46,119	482,433
Consulting	36,300	36,300	36,300	39,930	39,930	39,930	43,923	43,923	43,923	48,315	48,315	48,315	505,404
Payroll	218,335	220,935	227,185	238,168	238,168	253,268	253,268	259,518	264,251	264,251	264,251	264,251	2,965,850
	514,377	516,977	523,227	545,258	545,258	560,358	572,510	578,760	583,493	596,859	596,859	596,860	6,730,796
NET OPERATING PROFIT (LOSS)	(285,595)	(105,132)	(19,850)	(51,625)	248,460	383,403	396,562	891,726	1,137,700	1,207,562	2,054,005	2,477,226	8,334,443
DEPRECIATION EXPENSE	(33,378)	(33,378)	(33,378)	(33,378)	(33,378)	(33,378)	(33,378)	(33,378)	(33,378)	(33,378)	(33,378)	(33,378)	(400,535)
INCOME (LOSS) BEFORE INCOME TAX	(318,973)	(138,510)	(53,228)	(85,003)	215,082	350,025	363,184	858,348	1,104,322	1,174,184	2,020,627	2,443,849	7,933,908
INCOME TAX EXPENSE											507,389	977,540	1,484,929
NET INCOME (LOSS)	\$ (318,973)	\$ (138,510)	\$ (53,228)	\$ (85,003)	\$ 215,082	\$ 350,025	\$ 363,184	\$ 858,348	\$ 1,104,322	\$ 1,174,184	\$ 1,513,238	\$ 1,466,309	\$ 6,448,979

iViewit.com, Inc.

**SIGNIFICANT REVENUE ASSUMPTIONS - EXHIBIT 1
FOR THE TWO YEAR PERIOD**

Video/Image Master Server

Quarter	Increase in Master Servers	Price per Video and Image Master Server	Total Revenue
1	7.75	\$ 25,000	\$ 193,750
2	4.25	25,000	106,250
3	7.00	25,000	175,000
4	12.00	25,000	300,000
5	18.00	22,500	405,000
6	27.00	22,500	607,500
7	43.00	22,500	967,500
8	70.00	22,500	1,575,000
Total	189.00		\$ 4,330,000

1st Distributed Server

Quarter	Increase in Master Servers	Price per 1st Distributed Server	% of Clients w/ 1st Distributed Server	Total Revenue
1	7.75	\$ 5,000	30%	\$ 11,625
2	4.25	5,000	30%	6,375
3	7.00	5,000	30%	10,500
4	12.00	5,000	30%	18,000
5	18.00	4,500	30%	24,300
6	27.00	4,500	30%	36,450
7	43.00	4,500	30%	58,050
8	70.00	4,500	30%	94,500
Total	189.00			\$ 259,800

Additional Distributed Server

Quarter	Increase in Master Servers	Price per Add'l Distributed Servers	Avg # of Add'l Distributed Servers	Total Revenue
1	7.75	\$ 2,500	0.5	\$ 9,688
2	4.25	2,500	0.5	5,313
3	7.00	2,500	0.5	8,750
4	12.00	2,500	0.5	15,000
5	18.00	2,250	0.5	20,250
6	27.00	2,250	0.5	30,375
7	43.00	2,250	0.5	48,375
8	70.00	2,250	0.5	78,750
Total	189.00			\$ 216,500

iviewit.com, Inc.

**SIGNIFICANT REVENUE ASSUMPTIONS - EXHIBIT 1
FOR THE TWO YEAR PERIOD**

Video Processing without Frame Touch Ups

Quarter	Video Minutes Processed Per Quarter	Price per Minute	% of Clients not using Touch Ups	Total Revenue
1	15,946.50	\$	5 96%	\$ 76,543
2	31,182.00		5 96%	149,674
3	51,273.00		5 96%	246,110
4	90,780.00		5 96%	435,744
5	159,372.00		5 96%	764,986
6	275,109.00		5 96%	1,320,523
7	475,402.00		5 96%	2,281,930
8	825,400.00		5 96%	3,961,920
Total	1,924,464.50			\$ 9,237,430

Video Processing with Frame Touch Ups

Quarter	Video Minutes Processed Per Quarter	Price per Minute	% of Clients using Touch Ups	Total Revenue
1	15,946.50	\$	40 4%	\$ 25,514
2	31,182.00		40 4%	49,891
3	51,273.00		40 4%	82,037
4	90,780.00		40 4%	145,248
5	159,372.00		40 4%	254,995
6	275,109.00		40 4%	440,174
7	475,402.00		40 4%	760,643
8	825,400.00		40 4%	1,320,640
Total	1,924,464.50			\$ 3,079,143

Video Hosting

Quarter	Cumulative Number of GB for Video Hosting	Price per Video Hosting per GB	Total Revenue
1	398.66	\$ 12	\$ 4,784
2	779.55	12	9,355
3	1,281.83	12	15,382
4	2,269.50	12	27,234
5	3,984.30	13	51,796
6	6,877.73	13	89,410
7	11,885.05	13	154,506
8	20,635.00	13	268,255
Total			\$ 620,721

iViewit.com, Inc.

**SIGNIFICANT REVENUE ASSUMPTIONS - EXHIBIT 1
FOR THE TWO YEAR PERIOD**

Serving Fee

Quarter	Cumulative Number of GB Being Served	Serving fee per GB	Total Revenue
1	1,045.29	\$ 35	\$ 36,585
2	1,529.78	35	53,543
3	2,351.03	35	82,286
4	3,444.86	35	120,570
5	5,470.20	38	207,868
6	8,672.29	38	329,547
7	13,547.25	38	514,796
8	21,497.96	38	816,923
Total			\$ 2,162,117

iviewit.com, Inc.
SIGNIFICANT REVENUE ASSUMPTIONS - EXHIBIT 2
FOR THE TWO YEAR PERIOD

Assumes Quarterly Growth as Follows:

Industry	% Quarterly Growth
Hotel & Resort Properties	25%
Entertainment	45%
Advertising	35%
Automotive	25%
Health Care	60%
Digital Video Encoding	75%
Executive Search, Modeling, Dating	50%

Industry	Video Minutes Processed per Quarter			Number of GB for Video Hosting			Number of GB Being Served						
	# of Master Video Servers	Ave Minutes per video	# of Videos to Encode/client	Total Video Minutes	Conversion of 1 minutes of Video to a GB	GB Hosted per client	# of Master Video Servers	Total GB Hosted	GB Hosted per client	# of Playbacks per video	GB Served per Client	# of Master Video Servers	Total GB Served
Hotel & Resort Properties	1.00	5	1	5.00	0.025	0.125	1.00	0.125	0.125	270	1.6875	1.00	1.69
Entertainment	1.50	45	15	1,012.50	0.025	16.875	1.50	25.3125	16.875	650	548.4375	1.50	822.66
Advertising	1.00	0.5	2	1.00	0.025	0.025	1.00	0.025	0.025	450	0.5625	1.00	0.56
Automotive	0.50	3	2	3.00	0.025	0.15	0.50	0.075	0.15	270	2.025	0.50	1.01
Health Care	1.25	20	3	75.00	0.025	1.5	1.25	1.875	1.5	270	20.25	1.25	25.31
Digital Video Encoding	1.50	5	1800	13,500.00	0.025	225	1.50	337.5	225	10	112.5	1.50	168.75
Executive Search, Modeling, Dating	1.00	3	450	1,350.00	0.025	33.75	1.00	33.75	33.75	15	25.3125	1.00	25.31
Total	7.75			15,946.50				398.66					1,045.29

Industry	Video Minutes Processed per Quarter			# of GB for Video Hosting			Number of GB Being Served						
	# of Master Video Servers	Ave Minutes per video	# of Videos to Encode/client	Total Video Minutes	Conversion of 1 minutes of Video to a GB	GB Hosted per client	# of Master Video Servers	Total GB Hosted	GB Hosted per client	# of Playbacks per video	GB Served per Client	# of Master Video Servers	Total GB Served
Hotel & Resort Properties	1.00	5	1	5.00	0.025	0.125	1.00	0.125	0.125	270	1.6875	1.00	1.69
Entertainment	2.00	45	15	1,350.00	0.025	16.875	2.00	33.75	16.875	650	548.4375	2.00	1096.88
Advertising	1.00	0.5	2	1.00	0.025	0.025	1.00	0.025	0.025	450	0.5625	1.00	0.56
Automotive	1.00	3	2	6.00	0.025	0.15	1.00	0.15	0.15	270	2.025	1.00	2.03
Health Care	2.00	20	3	120.00	0.025	1.5	2.00	3	1.5	270	20.25	2.00	40.50
Digital Video Encoding	3.00	5	1800	27,000.00	0.025	225	3.00	675	225	10	112.5	3.00	337.50
Executive Search, Modeling, Dating	2.00	3	450	2,700.00	0.025	33.75	2.00	67.5	33.75	15	25.3125	2.00	50.63
Total	12.00			31,182.00				779.55					1,529.78

iviewit.com, Inc.
SIGNIFICANT REVENUE ASSUMPTIONS - EXHIBIT 2
FOR THE TWO YEAR PERIOD

Industry	Video Minutes Processed per Quarter	# of GB for Video Hosting	Number of GB Being Served
3rd Quarter			

Industry	# of Master Video Servers	Ave Minutes per video	# of Videos to Encode/client	Total Video Minutes	Conversion of 1 minute of Video to a GB		GB Hosted per client	# of Master Video Servers	Total GB Hosted	GB Hosted per client	Playbacks per video	# of Master Video Servers	Total GB Served	
					Total Minutes per client	minutes to a GB								
Hotel & Resort Properties	2.00	5	1	10.00	5	0.025	0.125	2.00	2.00	0.25	270	1.6875	2.00	3.38
Entertainment	3.00	45	15	2,025.00	675	0.025	16.875	3.00	50.625	16.875	650	548.4375	3.00	1,645.31
Advertising	2.00	0.5	2	2.00	1	0.025	0.025	2.00	0.05	0.025	450	0.5625	2.00	1.13
Automotive	1.00	3	2	6.00	6	0.025	0.15	1.00	0.15	0.15	270	2.025	1.00	2.03
Health Care	3.00	20	3	180.00	60	0.025	1.5	3.00	4.5	1.5	270	20.25	3.00	60.75
Digital Video Encoding	5.00	5	1800	45,000.00	9000	0.025	225	5.00	112.5	225	10	112.5	5.00	562.50
Executive Search, Modeling, Dating	3.00	3	450	4,050.00	1350	0.025	33.75	3.00	101.25	33.75	15	25.3125	3.00	75.94
Total	19.00			51,273.00					1,281.83					2,351.03

Industry	# of Master Video Servers	Ave Minutes per video	# of Videos to Encode/client	Total Video Minutes	Conversion of 1 minute of Video to a GB		GB Hosted per client	# of Master Video Servers	Total GB Hosted	GB Hosted per client	Playbacks per video	# of Master Video Servers	Total GB Served	
					Total Minutes per client	minutes to a GB								
Hotel & Resort Properties	3.00	5	1	15.00	5	0.025	0.125	3.00	0.375	0.125	270	1.6875	3.00	5.06
Entertainment	4.00	45	15	2,700.00	675	0.025	16.875	4.00	67.5	16.875	650	548.4375	4.00	2,193.75
Advertising	3.00	0.5	2	3.00	1	0.025	0.025	3.00	0.075	0.025	450	0.5625	3.00	1.69
Automotive	2.00	3	2	12.00	6	0.025	0.15	2.00	0.3	0.15	270	2.025	2.00	4.05
Health Care	5.00	20	3	300.00	60	0.025	1.5	5.00	7.5	1.5	270	20.25	5.00	101.25
Digital Video Encoding	9.00	5	1800	81,000.00	9000	0.025	225	9.00	2025	225	10	112.5	9.00	1,012.50
Executive Search, Modeling, Dating	5.00	3	450	6,750.00	1350	0.025	33.75	5.00	168.75	33.75	15	25.3125	5.00	126.56
Total	31.00			90,780.00					2,269.50					3,444.86

Industry	# of Master Video Servers	Ave Minutes per video	# of Videos to Encode/client	Total Video Minutes	Conversion of 1 minute of Video to a GB		GB Hosted per client	# of Master Video Servers	Total GB Hosted	GB Hosted per client	Playbacks per video	# of Master Video Servers	Total GB Served	
					Total Minutes per client	minutes to a GB								
Hotel & Resort Properties	4.00	5	1	20.00	5	0.025	0.125	4.00	0.5	0.125	270	1.6875	4.00	6.75
Entertainment	6.00	45	15	4,050.00	675	0.025	16.875	6.00	101.25	16.875	650	548.4375	6.00	3,290.63
Advertising	4.00	0.5	2	4.00	1	0.025	0.025	4.00	0.1	0.025	450	0.5625	4.00	2.25
Automotive	3.00	3	2	18.00	6	0.025	0.15	3.00	0.45	0.15	270	2.025	3.00	6.08
Health Care	8.00	20	3	480.00	60	0.025	1.5	8.00	12	1.5	270	20.25	8.00	162.00
Digital Video Encoding	16.00	5	1800	144,000.00	9000	0.025	225	16.00	3600	225	10	112.5	16.00	1,800.00
Executive Search, Modeling, Dating	8.00	3	450	10,800.00	1350	0.025	33.75	8.00	270	33.75	15	25.3125	8.00	202.50
Total	49.00			159,372.00					3,984.30					5,470.20

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inriver.com, Inc.
SIGNIFICANT REVENUE ASSUMPTIONS - EXHIBIT 2
FOR THE TWO YEAR PERIOD

Industry	# of Master Video Servers	Ave Minutes per video	# of Videos to Encode/client	Cumulative # of Video Minutes	Conversion of 1 minute of Video to a GB		GB Hosted per client	# of Master Video Servers	Total GB Hosted	GB Hosted per client	Playbacks per video	# of Master Video Servers	Total GB Served	
					Total Minutes per client	minutes to a GB								
Hotel & Resort Properties	5.00	5	1	25.00	5	0.025	0.125	5.00	0.625	0.125	270	1.6875	5.00	8.44
Entertainment	9.00	45	15	6,075.00	675	0.025	16.875	9.00	151.875	16.875	650	548.4375	9.00	4,935.94
Advertising	5.00	0.5	2	5.00	1	0.025	0.025	5.00	0.125	0.025	450	0.5625	5.00	2.81
Automotive	4.00	3	2	24.00	6	0.025	0.15	4.00	0.6	0.15	270	2.025	4.00	8.10
Health Care	14.00	20	3	780.00	60	0.025	1.5	13.00	19.5	1.5	270	20.25	13.00	263.25
Digital Video Encoding	28.00	5	1800	252,000.00	9000	0.025	225	28.00	6300	225	10	112.5	28.00	3,150.00
Executive Search, Modeling, Dating	12.00	3	450	16,200.00	1350	0.025	33.75	12.00	405	33.75	15	25.3125	12.00	303.75
Total	76.00			275,109.00					6,877.73					8,672.29

7th Quarter	Video Minutes Processed per Quarter				Number of GB for Video Hosting				Number of GB Being Served					
	# of Master Video Servers	Ave Minutes per video	# of Videos to Encode/ client	Total Video Minutes	Total Minutes per client	Conversion of minutes to a GB	GB Hosted per client	# of Master Video Servers	Total GB Hosted	GB Hosted per client	Playbacks per video	GB Served per Client	# of Master Video Servers	Total GB Served
Hotel & Resort Properties	6.00	5	1	30.00	5	0.025	0.125	6.00	0.75	0.125	270	1.6875	6.00	10.13
Entertainment	13.00	45	15	8,775.00	675	0.025	16.875	13.00	219,375	16.875	650	548.4375	13.00	7,129.69
Advertising	7.00	0.5	2	7.00	1	0.025	0.025	7.00	0.175	0.025	450	0.5625	7.00	3.94
Automotive	5.00	3	2	30.00	6	0.025	0.15	5.00	0.75	0.15	270	2.025	5.00	10.13
Health Care	21.00	20	3	1,260.00	60	0.025	1.5	21.00	31.5	1.5	270	20.25	21.00	425.25
Digital Video Encoding	49.00	5	1800	441,000.00	9000	0.025	225	49.00	11025	225	10	112.5	49.00	5,512.50
Executive Search, Modeling, Dating	18.00	3	450	24,300.00	1350	0.025	33.75	18.00	607.5	33.75	15	25.3125	18.00	455.63
Total	119.00			475,402.00					11,885.05					13,547.25

8th Quarter	Video Minutes Processed per Quarter				Number of GB for Video Hosting				Number of GB Being Served					
	# of Master Video Servers	Ave Minutes per video	# of Videos to Encode/ client	Total Video Minutes	Total Minutes per client	Conversion of minutes to a GB	GB Hosted per client	# of Master Video Servers	Total GB Hosted	GB Hosted per client	Playbacks per video	GB Served per Client	# of Master Video Servers	Total GB Served
Hotel & Resort Properties	8.00	5	1	40.00	5	0.025	0.125	8.00	1	0.125	270	1.6875	8.00	13.50
Entertainment	19.00	45	15	12,825.00	675	0.025	16.875	19.00	320,625	16.875	650	548.4375	19.00	10,420.31
Advertising	9.00	0.5	2	9.00	1	0.025	0.025	9.00	0.225	0.025	450	0.5625	9.00	5.06
Automotive	6.00	3	2	36.00	6	0.025	0.15	6.00	0.9	0.15	270	2.025	6.00	12.15
Health Care	34.00	20	3	2,040.00	60	0.025	1.5	34.00	51	1.5	270	20.25	34.00	688.50
Digital Video Encoding	86.00	5	1800	774,000.00	9000	0.025	225	86.00	19350	225	10	112.5	86.00	9,675.00
Executive Search, Modeling, Dating	27.00	3	450	36,450.00	1350	0.025	33.75	27.00	911.25	33.75	15	25.3125	27.00	683.44
Total	189.00			825,400.00					20,635.00					21,497.96

iViewit.com, Inc.

**SIGNIFICANT REVENUE ASSUMPTIONS - EXHIBIT 3
FOR THE TWO YEAR PERIOD**

Image Only Master Server

Quarter	Increase in Master Image-Only Servers	Price per Image Only Master Server	Total
1	8.50	\$ 1,800	\$ 15,300
2	4.50	1,800	8,100
3	7.00	1,800	12,600
4	11.00	1,800	19,800
5	16.00	1,620	25,920
6	23.00	1,620	37,260
7	36.00	1,620	58,320
8	55.00	1,620	89,100
			\$ 266,400

1st Additional Distributed Server

Quarter	Increase in Master Image-Only Servers	Price per Distributed Server	Ave. # of Distributed Servers	Total
1	8.50	\$ 800	0.2	\$ 1,360
2	4.50	800	0.2	3,600
3	7.00	800	0.2	5,600
4	11.00	800	0.2	8,800
5	16.00	720	0.4	11,520
6	23.00	720	0.4	16,560
7	36.00	720	0.4	25,920
8	55.00	720	0.4	39,600
				\$ 112,960

Additional Distributed Server

Quarter	Increase in Master Image-Only Servers	Price per Add'l Distributed Server	Ave. # of Add'l Distributed Servers	Total
1	8.50	\$ 400	0.1	\$ 340.00
2	4.50	400	0.1	1,800.00
3	7.00	400	0.1	2,800.00
4	11.00	400	0.1	4,400.00
5	16.00	360	0.2	5,760.00
6	23.00	360	0.2	8,280.00
7	36.00	360	0.2	12,960.00
8	55.00	360	0.2	19,800.00
				\$ 56,140.00

iviewit.com, Inc.

**SIGNIFICANT REVENUE ASSUMPTIONS - EXHIBIT 3
FOR THE TWO YEAR PERIOD**

Image Capture, Processing & Hosting

Quarter	Increase in Master Image-Only Servers	Total Ave. Fee per Client	Total
1	8.50	\$ 2,362	\$ 20,077.00
2	4.50	2,362	10,629.00
3	7.00	2,362	16,534.00
4	11.00	2,362	25,982.00
5	16.00	2,362	37,792.00
6	23.00	2,362	54,326.00
7	36.00	2,362	85,032.00
8	55.00	2,362	129,910.00
			\$ 380,282.00

Monthly Charge Based on Hits on Site

Quarter	Cumulative Master Image-Only Servers	Total Ave. Monthly Pmt per Client	Months in Quarter	Total
1	8.5	\$ 435	3	\$ 3,697.50
2	13.00	435	3	5,655.00
3	20.00	435	3	8,700.00
4	31.00	435	3	13,485.00
5	47.00	435	3	20,445.00
6	70.00	435	3	30,450.00
7	106.00	435	3	46,110.00
8	161.00	435	3	70,035.00
				\$ 198,577.50

iViewit.com, Inc.

**SIGNIFICANT REVENUE ASSUMPTIONS - EXHIBIT 4
FOR THE TWO YEAR PERIOD**

Assume Quarterly Growth as Follows:

Industry	% Quarterly Growth
Hotel & Resort Properties	50%
Entertainment	50%
Automotive	20%
Health Care	60%
Executive Search, Modeling, Dating	40%

Number of Master Image-Only Servers

Industry	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	5th Qtr	6th Qtr	7th Qtr	8th Qtr	Total
Hotel & Resort Properties	2.00	3.00	5.00	8.00	12.00	18.00	27.00	41.00	116.00
Entertainment	2.00	3.00	5.00	8.00	12.00	18.00	27.00	41.00	116.00
Automotive	0.50	1.00	1.00	1.00	2.00	2.00	3.00	4.00	14.50
Health Care	2.00	3.00	5.00	8.00	13.00	21.00	34.00	54.00	140.00
Executive Search, Modeling, Dating	2.00	3.00	4.00	6.00	8.00	11.00	15.00	21.00	70.00
Cumulative Master Image-Only Servers	8.50	13.00	20.00	31.00	47.00	70.00	106.00	161.00	
Increase in Master Image-Only Servers	8.50	4.50	7.00	11.00	16.00	23.00	36.00	55.00	161.00

Average Fee per Client

	Fec per Shot	Ave # of shots per client	Ave Fee per client
Single Shot	\$ 68	4.0	\$ 272
1/4 Pan & Zoom	225	4.0	900
1/2 Pan & Zoom	435	1.0	435
3/4 Pan & Zoom	655	0.5	328
Full Pan & Zoom	855	0.5	428
Total		10.00	\$ 2,362

Average Monthly Payment per Client

Monthly Charge Based on Hits on Site	Fee/Hit	Ave. # of Hits at each level	% of Total Client sites at each traffic level	Ave Monthly Payment per Client
Monthly Minimum	\$ 0.10	1,500	25%	\$ 37.50
1 - 4999 Hits	0.10	2,500	30%	75.00
5000 - 9999 Hits	0.07	7,500	25%	131.25
10000 - 24999 Hits	0.05	17,500	15%	131.25
25000 + Hits	0.03	40,000	5%	60.00
Total			100%	\$ 435.00

Sum of amount \$	25,890	54,787	11,784	140,752	125,111	252,177	154,547	187,641	459,273	517,722	519,288	903,376	313,209	682,614	1,099,866	1,066,854
Grand Total	88,243	167,078	179,681	649,721	579,256	1,137,025	459,432	1,000,296	1,271,090	1,441,118	1,324,626	1,839,230	685,927	1,434,703	2,529,720	2,444,022
Grand Total (Sum)	88,243	167,078	179,681	649,721	579,256	1,137,025	459,432	1,000,296	1,271,090	1,441,118	1,324,626	1,839,230	685,927	1,434,703	2,529,720	2,444,022

inew.com, Inc.
PAYROLL ANALYSIS
YEAR ONE

Position	TOTAL EXPENSES												Total	
	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12		
President	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 173,004
Founder	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	210,000
COO	-	-	-	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	121,500
CFO	-	-	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	145,000
Assistant #1	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	39,996
Dir Mktg	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	84,996
Accountant	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	51,996
Assistant #2	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	29,004
Tech	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	39,996
Tech	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	39,996
VP Sales and Marketing	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	84,996
VP Manufacturing	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	148,500
Production manager	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	54,996
Production staff #	1	2	4	6	7	10	11	13	14	15	16	17	17	
Production staff \$	2,917	5,833	11,667	17,500	20,417	29,167	32,083	37,917	40,833	43,750	46,667	49,583	49,583	338,334
Sales support/production sched #	1	1	2	2	2	2	2	2	3	3	3	3	3	
Sales support/production sched \$	2,917	2,917	5,833	5,833	5,833	5,833	5,833	5,833	8,750	8,750	8,750	8,750	8,750	75,832
Sales staff #	2	3	3	5	5	5	6	6	8	8	8	8	8	
Sales staff \$	12,000	18,000	18,000	30,000	30,000	30,000	36,000	36,000	48,000	48,000	48,000	48,000	48,000	402,000
Secretaries/admin #	-	1	1	1	2	2	2	3	3	3	3	3	3	
Secretaries/admin \$	-	2,333	2,333	2,333	4,666	4,666	4,666	6,999	6,999	6,999	6,999	6,999	6,999	55,992
CTO	-	-	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	108,330
Management #	-	-	1	1	1	2	3	3	3	3	3	3	3	
Management \$	-	-	5,417	5,417	5,417	10,833	16,250	16,250	16,250	16,250	16,250	16,250	16,250	124,584
Total Personnel #	18	21	25	29	31	35	38	41	45	46	47	48	48	
Total Personnel \$	92,332	117,081	156,581	187,914	193,164	207,330	221,663	229,830	247,663	250,580	253,497	256,413	256,413	2,414,048
Cum Personnel \$	\$ 92,332	\$ 209,413	\$ 365,994	\$ 553,908	\$ 747,072	\$ 954,402	\$ 1,176,065	\$ 1,405,895	\$ 1,653,558	\$ 1,904,138	\$ 2,157,635	\$ 2,414,048	\$ 2,414,048	

inew.com, Inc.
PAYROLL ANALYSIS
YEAR ONE

Position	OPERATING EXPENSES												Total	
	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12		
President	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 173,004
Founder	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	105,000
COO	-	-	-	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	97,200
CFO	-	-	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	145,000
Assistant #1	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	39,996
Dir Mktg	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	84,996
Dir Mktg	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	84,996
Accountant	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	51,996
Assistant #2	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	29,004
Tech	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	39,996
Tech	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	39,996
VP Sales and Marketing	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	84,996
VP Manufacturing	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	148,500
Production manager	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	54,996
Production staff #	1	2	4	6	7	10	11	13	14	15	16	17	17	
Production staff \$	2,917	5,833	11,667	17,500	20,417	29,167	32,083	37,917	40,833	43,750	46,667	49,583	49,583	338,334
Sales support/production sched #	1	1	2	2	2	2	2	2	3	3	3	3	3	
Sales support/production sched \$	2,917	2,917	5,833	5,833	5,833	5,833	5,833	5,833	8,750	8,750	8,750	8,750	8,750	75,832
Sales staff #	2	3	3	5	5	5	6	6	8	8	8	8	8	
Sales staff \$	12,000	18,000	18,000	30,000	30,000	30,000	36,000	36,000	48,000	48,000	48,000	48,000	48,000	402,000
Secretaries/admin #	-	1	1	1	2	2	2	3	3	3	3	3	3	
Secretaries/admin \$	-	2,333	2,333	2,333	4,666	4,666	4,666	6,999	6,999	6,999	6,999	6,999	6,999	55,992
CTO	-	-	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	108,330
Management #	-	-	1	1	1	2	3	3	3	3	3	3	3	
Management \$	-	-	5,417	5,417	5,417	10,833	16,250	16,250	16,250	16,250	16,250	16,250	16,250	124,584
Total Personnel #	18	21	25	29	31	35	38	41	45	46	47	48	48	
Total Personnel \$	92,332	117,081	156,581	187,914	193,164	207,330	221,663	229,830	247,663	250,580	253,497	256,413	256,413	2,414,048
Cum Personnel \$	\$ 92,332	\$ 209,413	\$ 365,994	\$ 553,908	\$ 747,072	\$ 954,402	\$ 1,176,065	\$ 1,405,895	\$ 1,653,558	\$ 1,904,138	\$ 2,157,635	\$ 2,414,048	\$ 2,414,048	

	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	174,000
VP Manufacturing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Production manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Production staff #	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Production staff \$	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales support/production sched #	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales support/production sched \$	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales staff #	10	10	11	12	12	14	14	15	15	15	15	15	15	15	15
Sales staff \$	62,500	62,500	68,750	75,000	75,000	87,500	87,500	93,750	93,750	93,750	93,750	93,750	93,750	93,750	987,500
Secretaries/admin #	4	5	5	5	5	6	6	6	6	6	6	6	6	6	6
Secretaries/admin \$	10,400	13,000	13,000	13,000	13,000	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	171,600
CTO	12,917	12,917	12,917	12,917	12,917	12,917	12,917	12,917	12,917	12,917	12,917	12,917	12,917	12,917	155,004
Management #	4	4	4	4	5	5	5	5	5	5	5	5	5	5	5
Management \$	23,667	23,667	23,667	28,400	28,400	28,400	28,400	28,400	28,400	28,400	28,400	28,400	28,400	28,400	345,534
Total Personnel #	28	29	30	32	32	35	35	36	36	37	37	37	37	37	37
Total Personnel \$	218,335	220,935	227,185	238,168	238,168	253,268	253,268	259,518	259,518	264,251	264,251	264,251	264,252	264,252	2,965,850
Cum Personnel \$	\$ 218,335	\$ 439,270	\$ 666,455	\$ 904,623	\$ 1,142,791	\$ 1,396,059	\$ 1,649,327	\$ 1,908,845	\$ 2,173,096	\$ 2,437,347	\$ 2,701,598	\$ 2,965,850	\$ 3,230,100	\$ 3,495,351	\$ 3,760,601

newk.com, Inc
PAYROLL ANALYSIS
 YEAR TWO

Position	COST OF GOODS SOLD												Total	
	MONTH1	MONTH2	MONTH3	MONTH4	MONTH5	MONTH6	MONTH7	MONTH8	MONTH9	MONTH10	MONTH11	MONTH12		
President	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	114,996
Founder	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	34,800
CFO	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assistant #1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dir Mktg	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dir Mkts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accountant	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assistant #2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tech	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	44,004
Tech	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	44,004
VP Sales and Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VP Manufacturing	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	69,996
Production manager	17	19	20	6	7	8	10	11	12	13	32	32	32	32
Production staff	53,834	60,157	63,333	69,667	72,833	72,833	79,167	88,667	88,667	95,000	101,333	101,333	101,333	946,834
Sales support/production sched #	4	4	5	5	6	6	6	7	7	7	7	7	7	7
Sales support/production sched \$	12,667	12,667	15,833	15,833	19,000	19,000	19,000	22,167	22,167	22,167	22,167	22,167	22,167	224,835
Sales staff	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales staff \$	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Secretaries/admin	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Secretaries/admin \$	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CTO	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Management #	5,917	5,917	5,917	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	86,383
Management \$	26	28	30	16	18	19	21	23	24	25	44	44	44	44
Total Personnel #	68,968	70,401	71,733	73,166	74,599	76,032	77,465	78,898	80,331	81,764	83,197	84,630	86,063	87,496
Total Personnel \$	\$ 68,968	\$ 104,401	\$ 110,733	\$ 118,250	\$ 124,583	\$ 124,583	\$ 130,917	\$ 143,584	\$ 144,767	\$ 151,100	\$ 157,433	\$ 157,433	\$ 157,433	\$ 1,565,852
Cum Personnel \$	\$ 68,968	\$ 202,469	\$ 313,202	\$ 431,452	\$ 556,035	\$ 680,618	\$ 811,535	\$ 955,119	\$ 1,099,886	\$ 1,250,986	\$ 1,408,419	\$ 1,565,852	\$ 1,723,285	\$ 1,878,137

iview.com, Inc.
DEPRECIATION SCHEDULE
YEAR ONE AND YEAR TWO

TYPE OF EQUIPMENT	YEAR	LIFE	TOTAL COST	DEPRECIATION	
				YEAR 1	YEAR 2
SOFTWARE	1	2	\$ 35,200	\$ 17,600	\$ 17,600
SOFTWARE	2	2	38,288		19,144
					<u>36,744</u>
COMPUTERS, VIDEO EQUIPMENT	1	3	266,500	88,833	88,833
COMPUTERS, VIDEO EQUIPMENT	2	3	424,222		141,407
					<u>230,241</u>
TELEPHONE SYSTEM	1	5	200,900	40,180	40,180
TELEPHONE SYSTEM	2	5	428,828		85,766
					<u>125,946</u>
FURNITURE, FIXTURES AND EQUIPMENT	1	7	22,600	3,229	3,229
FURNITURE, FIXTURES AND EQUIPMENT	2	7	30,631		4,376
					<u>7,604</u>
TOTAL YEAR 1			<u>\$ 525,200</u>	<u>\$ 149,842</u>	
TOTAL YEAR 2			<u>\$ 921,969</u>		<u>\$ 400,535</u>

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ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER

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OUR FILE

July 17, 2000

*ALSO ADMITTED IN NEW YORK
*ONLY ADMITTED IN NEW YORK

3744.9.1

Via Facsimile

Mr. Eliot Bernstein
Mr. Brian Utley
One Boca Place
2255 Glades Road, Suite 337W
Boca Raton, FL 33431

Re: Business Plan

Dear Eliot and Brian:

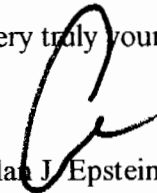
Attached is a copy of the most recent draft Business Plan for iviewit.com, with my comments hand-written in the margins (only pages with comments are enclosed). Overall, the new Business Plan is an excellent improvement. In addition to the other changes I have noted, I recommend that the business plan more clearly delineate the distinction between the license model and the service model with respect to the processing and use of iviewit's technology.

Please continue to send me updated versions of the Business Plan. There are several other investor groups who have requested to see the Business Plan prior to meeting you and your colleagues.

Also enclosed is a copy of an article from today's Wall Street Journal regarding the DivX compression technology. Do you know anything about this?

Best regards.

Very truly yours,



Alan J. Epstein

Mr. Eliot Bernstein

Mr. Brian Utley

July 17, 2000

Page 2

AJE:rdq

Enclosures

AJE\LETTERS\bermsei2.ltr

cc: Michele M. Mulrooney, Esq.
James R. Jackoway, Esq.
George T. Hayum, Esq.
(all w/encls.)



The sights and sounds of the Internet

Strategic Business Plan

Alan Epstein
Comments - 7/15/00

Contact Information:

Brian G. Utley, President
iviewit

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2255 Glades Road, Suite 337W
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561-999-8899

brian@iviewit.com

COPY #: 35 – Electronic Distribution

DATE: Friday, July 14, 2000

ISSUED TO: Pacific Capital Group, Inc.

Executive Summary

Introduction

iviewit.com (herein after "iviewit" or "The Company") is a developer and provider of proprietary, leading edge visual and audio enabling technologies supporting the infrastructure of the Internet. The Company has developed and launched three breakthrough technologies – video/audio streaming and image enhancement -- that enable (1) full-screen, full-motion video including CD quality audio, (2) full screen high definition pictures that have "scan, pan and zoom" capabilities with a zoom technology never before seen and (3) high fidelity audio streams at low bandwidths. These technologies allow, for the first time, a rich and full Internet experience and virtual environment any time a b2c (Business to Consumer) or b2b (Business to Business) Internet application can be enhanced by or requires a video, audio or photographic presentation. By virtue of its technical backbone technologies, iviewit is leading the advancement of multi-media applications for websites both in streaming video/audio and imaging following the first demonstration of its proprietary technologies in 1998. Since that time, iviewit has refined its several (Patent Pending) processes to transform these technologies into consistently deliverable and commercially accepted Internet solutions.

Company

Mention somewhere that has potential to be a platform technology...

Founded in 1999, iviewit has achieved its first \$3 million in funding which has enabled it to develop, test and commercially launch its visual Internet infrastructure technologies. Initial, key management is in place, and the Company has successfully passed through its technical validation phase to ensure that its technology is fully reproducible and reliable. iviewit then identified several market sectors to emphasize, and it has targeted key early stage customers in order to gain recognition and commercial acceptance. The company has formed strong strategic alliances and partners in both the Internet and Multimedia spaces.

iviewit is engaged in the application of these exciting and new visual and audio technologies for the use by content providers of all types and consumers to make their experience over the Internet dynamic and real. iviewit's business model is to:

- license its proprietary video/audio streaming and imaging technologies for the processing, encoding, managing and specialized web-hosting of source material and content where multi-media Internet distribution is required
- *service bureau work - processing, hosting, etc.*
- develop image and branding for its technology backbone capabilities
- identify and develop expanded vertical sector marketing and new applications

- expand its scalable processing capabilities on a production-controlled basis
- launch broad-based promotion and marketing campaigns through advertising, trade shows and key customer references
- confirm **iviewit** as the industry Gold Standard in supplying leading edge, multi-media visual and audio streaming and imaging infrastructure and tools for the Internet

Clarify - not broadly relevant to consumers. Doesn't clearly delineate the licensing vs. service models

Early in 2000, the Company commercialized, and, as of May 2000, it already has cultivated its first six customers. The combined, annualized revenue of these customers is estimated to reach approximately \$4.0 million once they are implemented and ramped to present customer expectations. As **iviewit** secures its next round of funding, the Company will aggressively accelerate the implementation of its product licensing and service plan.

↳ Give some names here...

Proprietary Technologies

iviewit has developed three complementary technologies to enhance videos, audio and images delivered over the Internet:

1. State-of-the-art, proprietary technologies, enabling full motion/full screen/full frame rate, high quality, distortion-free streaming video and audio to be viewed by any internet video player at amazingly low bandwidths, with extraordinary quality and reduced file sizes. Broadband and modem users can see streaming video with virtually no download time required.
2. State-of-the-art, proprietary technologies, enabling CD quality audio that can be listened to using any internet video player at amazingly low bandwidths, with extraordinary high fidelity sound quality and reduced file sizes.
3. A digital imaging technology creating the opportunity for full screen still images and panoramas that can be zoomed and manipulated, distortion-free, in a virtual environment with almost unlimited magnification.

Changing the Internet Landscape with iviewit Technologies

Video Streaming

Until now, the delivery of video content over the Internet was substantially text-based, and attempts to transmit video content over the Internet have been marred by long downloads, small image size, reduced frame rates and poor quality. Reducing the bandwidth time it takes to transmit files usually has meant delivering a picture that appears herky-jerky and out of sync with the sound. Providing video that is comparable

with television (full motion/full screen/full frame rates), on the other hand, typically has been impossible because of the large file sizes resulting in the need for over 2 T1 lines of bandwidth to watch a single video. Trying to squeeze television-quality video files into sizes that can be transmitted on the Internet proved elusive accompanied by severe limitations, such as the requirement for costly and often unavailable bandwidth. State of the art video even for high bandwidth users (ISDN, DSL, Cable, T1 and Fiber) remained framey and out of sync.

As recently as December 1999, a leading Internet news publication, The Industry Standard indicated that the Internet speed required for Television-like quality video would not be possible until the 700+ Kbps range was reached and that "nowhere in the tech world have there been more unfulfilled promises than in the realm of next-generation television." **iviewit's** video technologies have bridged the gap by enabling distortion-free, TV quality video frame rates with CD quality audio in the 150+ Kbps range, considered optimal for delivering broadcasts over the Internet.

Meanwhile, there is enormous content that has been created for television that is ready for conversion to an Internet application, and the proliferation of new bandwidth capacity via DSL, cable and satellite is finally providing an environment whereby **iviewit's** breakthrough technologies can easily be adopted and utilized. **iviewit** believes that there is virtually unlimited growth opportunity for its proprietary visual Internet backbone technologies. As a matter of fact, Bill Gates recently stated that "streaming media is the fastest moving part of the whole digital world."

Imaging

iviewit's imaging process allows computer users to drive into single or panoramic images in a brand new "pan, scan & zoom" environment seamlessly magnifying on any portion of the image at zoom levels never before imagined (20:1+). This breakthrough technology will have far reaching impact as it applies to any photograph that the user wants to enhance. Applications for **iviewit's** technologies are endless.

→ Since you mention Audio Streaming above, don't you need to mention here?

Benefits of **iviewit** Technologies

The principal benefits of **iviewit's** enabling Internet infrastructure technologies follow:

- the technologies significantly enhance the image quality of any video content streamed over the Internet regardless of which media and sound player is utilized
- the technologies allow high quality video streaming in the 150+Kbps ranges, providing better product and price performance for the product delivered and a tremendously improved result at the 28-150Kbps ranges

Also mention that a superior image and stream is produced for low-speed users. Not just a broadband play.

- the image technologies enhance the ability to view photographic images on the Internet by providing incredible “scan, pan & zoom” enriching the end user experience
- improved audio stream capabilities at both high and low bandwidths

Management

iviewit has established a strong, experienced key management team, supported by a Board of Directors and Advisory Board representing broad management and industry experience, including developing technologies, dealing with patent and business legal issues, financing start-up companies and preparing companies for IPOs. Searches are currently under way to complete the executive management team by the addition of a CEO, a CFO and a Sr. V.P. Marketing and Sales.

iviewit also has an Advisory Board, Legal Counsel and Business Consultants who bring an extensive knowledge base, business connections and experience to the development of **iviewit**.

Market Penetration Strategy & Launch

iviewit has secured initial contract agreements with Hyatt Hotel & Resorts, Hollywood.com, Broadway.com, @merican enterprise.com, JM Lexus, Gear Magazine (Guccione Media), Great Expectations Dating Service and Kids Camps. In addition, **iviewit** is currently negotiating with major corporations such as 3Com, Playboy, and CBS Sportsline.com. The response to the technologies and licensing cost has been very positive. While **iviewit**'s enabling technologies are applicable across a wide spectrum of Business to Business (b2b) and Business to Consumer (b2c) Internet sites, **iviewit** will concentrate its early initiatives in the following areas: Advertising, Entertainment, Health Care, Hotel and Resorts, Luxury Items, Executive Search, Sports, Modeling, and Dating Services.

iviewit plans to highlight its video streaming enabling technologies with high profile websites and events. Currently the Company has established a relationship with Ellen DeGeneres, Tidal 4, Z.Com, Hollywood.com and Broadway.com. These accounts currently provide significant branding of the **iviewit** process with watermarking, logos and personal testimonials.

Intellectual Property

iviewit has protected its enabling technologies by filing five patent pending applications in both the United States and abroad for its video streaming and imaging capabilities, covering a wide array of enabling technologies. The Company also has an additional five remaining Provisional Patent Pending applications that will be converted to patent pending status within the allowable period.

and several motion picture studios

STET

These technologies carry broad claims, where patent searching on several key components has revealed no apparent prior art or conflicting technologies. This gives **iviewit** not only strategic advantage and potential exclusivity in this space, but also the opportunity to license its proprietary technologies on a current and ongoing basis.

iviewit has adopted a two-pronged approach to building an extensive patent portfolio: (1) **iviewit** plans to continue aggressively developing and seeking patent protection for its own proprietary technologies; (2) **iviewit** will further seek to improve upon existing technologies as these technologies come to the market.

Don't bold face. Don't want to over-emphasize the patent procurement and enforcement issues, as they are huge potential weaknesses.

iviewit believes that the processes underlying these inventions are unique and novel, and it has retained Foley & Lardner, one of the most reputable patent law firms in the United States to shepherd its patent development and procurement. In addition, **iviewit** has retained Kenneth Rubenstein of Proskauer Rose LLP to oversee its entire patent portfolio; Mr. Rubenstein is the head of the MPEG-2 patent pool.

Financial Summary and Investment Opportunity

iviewit has raised an initial \$3 million to date, including venture funding received in September 1999 from Huizenga Holdings, Inc./Investech Holdings LLC. Huizenga Holdings is controlled by H. Wayne Huizenga, a successful industrialist best known for starting Waste Management, Blockbuster Video, Auto Nation, Boca Resorts and the owner of major sports teams such as the Miami Dolphins football team, the Florida Marlins baseball team and the Florida Panthers hockey team.

Second round funding has been received from Crossbow Ventures/Alpine, a significant private investment fund, located in Palm Beach and Geneva. Crossbow's management includes the prior senior infrastructure of Merrill Lynch Ventures. CrossBow's industry focus corresponds to the tremendous growth that Internet-related companies are experiencing. Their well-balanced portfolio includes companies in technology, telecommunications, healthcare and environmental services sectors.

iviewit is presently seeking two investment tranches. The first and most imminent will be a \$2.0 million equity bridge, to be completed shortly leading to a significant capital raise of up to \$20 million to be achieved by the third calendar quarter of 2000.

Potential exit strategies for **iviewit** investors may include any one, or a combination, of the following opportunities: IPO, partner with a major company or acquisition.

Handwritten scribble

Strategic Business Plan

Company

*Was this really the name?
Very strange.*

Was this an Inc. or an LLC?

iviewit, Inc., LLC located in Boca Raton, Florida, was formed in July of 1999 under the laws of the state of Delaware. **iviewit** was formed to research, develop, license and sell its enabling proprietary Internet based visualization products and services to the e-commerce market through its wholly owned operating subsidiary **iviewit.com, LLC**. In December of 1999 the Board of Directors authorized the conversion of **iviewit, Inc., LLC** and **iviewit.com, LLC** into "C" corporations. Under the new corporate status they became 'iviewit Holdings, Inc.' and 'iviewit.com, Inc.' respectively and continue to be Delaware corporations.

Which one is the parent company? Which one is raising money? Which one holds the patents? Which one will be the operating company? Need to explain the differences in companies.

Over the past year, **iviewit** has confirmed the efficacy and reliability of its technologies for commercial exploitation, initiated digital imaging production, established a demonstration web site, developed initial key management infrastructure and hired an initial sales staff. The Company **commercialized** early in 2000, and, as of May 2000, has initial high profile customers that have confirmed the commercial value of **iviewit's** technologies. **iviewit** is presently seeking additional financing to support further commercialization and realize the full potential of its products and technologies.

chng. publicly launched?

Product Applications

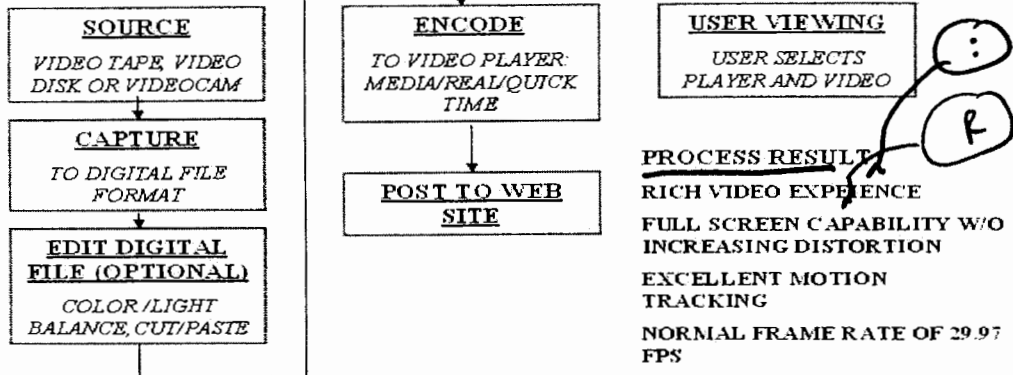
iviewit's impressive visual media products are the result of several years of development focused on the entire process of image/video delivery over the Internet. Care has been taken to be platform agnostic to preserve the broadest possible range of applications and retain the highest viewing audience. **iviewit's** suite of video and imaging technology processes work across all industry platforms; therefore, **iviewit's** video process will enhance Microsoft's Media Player, Apple Quicktime and Real Networks players. **The result is industry leadership products without requiring special downloads or equipment.** A recent survey indicated that over 90% of site visitors simply "move on" when required to download special software to view pages content. **iviewit** processes are proprietary and protected as Trade Secrets and Patent Pending applications filed with the U.S. and International patent offices. While video streaming and imaging are treated separately, it should be noted that they are complementary both from a process point of view and from a customer perspective. Many potential customers have both requirements such as the resort and hotel industry ~~and the~~ health care industry. **iviewit** views the combination of these products as a suite to be an integral part of its sales portfolio.

and entertainment industry.

Video Streaming Products

These Graphics aren't clear or crisp. Any way to fix? Or is it my printer?

iviewit Streaming Video Process



6/13/2000

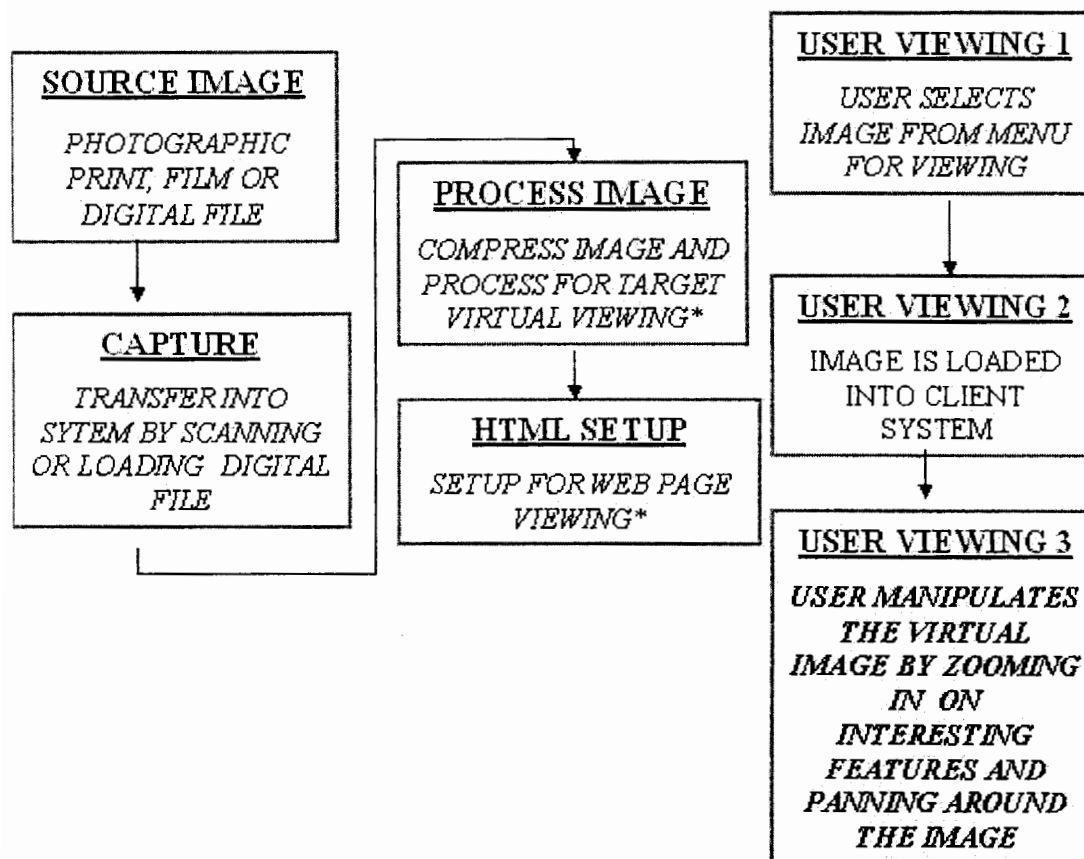
IVIEWIT CONFIDENTIAL

Streaming video is the most exciting form of content distribution over the Internet and has challenged the industry since its inception several years ago. Current processing techniques do not provide solutions for clear, full TV frame rate, full motion, full screen streaming video at 150+ Kbps. **iviewit** has developed encoding solutions that do provide for full motion, full frame rate, full screen streaming video at speeds ranging from 56-150+ Kbps. These competitive advantages are at the core of **iviewit's** market opportunity. ~~Mention improved video on modems. Not just a broadband play.~~

Capturing high action and motion in Internet video has been a particular challenge because the image refresh process tends to produce highly distorted pictures. **iviewit** has succeeded in producing near TV quality video over broadband networks and has significantly improved modem results. These results are obtained while minimizing the bandwidth and file sizes required for streaming the video event, a significant economic consideration.

Internet ready streaming digital files are produced from virtually any source creating NTSC (US) compatible or IEEE 1394 firewire interfaces. Other modality such as PAL or SECAM can be accommodated. The output digital files are Microsoft Media Player, Apple Quicktime or RealNetworks RealPlayer compatible. Multiple files are produced for both modem and broadband use. **iviewit's** processing times range from an astonishingly low 3 to 6 times the playtime of the video. The proprietary process is extendable to include video acquisition; even though this phase is not a pre-requisite, improvement in final video quality is attainable by using **iviewit's** total video process.

iviewit Virtual Imaging Process

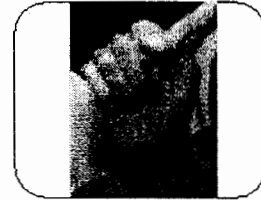


Way to improve graphics?

Iviewit's process captures the detail of the original image and preserves it through the entire process to delivery, over the internet, to the end user. The challenge is to preserve the image quality during compression (up to 100:1) while preserving all the detail for zooming (magnification) without distortion.

* IVIEWIT PROPRIETARY PROCESS

iviewit Virtual Imaging Process



Above left is an example of an original picture. The center image portrays the view on a PC monitor on the internet receiving the picture. Above right the user has zoomed in on the hand position of the batter. The picture has not lost any clarity because of the zooming. To the right the user has panned across the picture to view the batter's head without having to re-trace steps back to the full image.



The process to provide perfect clarity while maintaining the ability to zoom and pan is the heart of iviewit's image patent applications.

7/3/2000

IVIEWIT CONFIDENTIAL

iviewit offers a wide range of "over the web" high quality, full screen imaging technologies. Images processed by **iviewit** can be viewed with extraordinary zoom and within panoramic environments of up to 360 degrees. Images produced by **iviewit's** proprietary process are identical in quality regardless of the end-user's Internet connection speed. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. Output file sizes typically range from 30KB to 400KB for a full 360-degree panorama. Source material may be conventional emulsion type film or digital. Special photographic techniques are employed to ensure the final quality of the process. Unlike conventional web-ready images that become severely distorted after magnification attempts of just 1-2 times, **iviewit** processed images are especially resistant to pixel distortion even when zooming in to obtain screen magnification levels of 20:1+. **Real 3D®, Inc.** engineering teams have reviewed the imaging process and results, and the comment from their review was "superb", "cool" and "elegant".

Mention no special camera equipment required?

These are the types of digital images that **iviewit** can create with its "scan, pan and zoom" technologies:

- **Single shot** - A single photo frame. Used for simple flat scenes or objects with depth imaging

- **Single shot “Pan, Scan and Zoom”** – A single photo frame with the ability to zoom into the picture for magnifications of up to 20X
- **Quarter “Scan, Pan and Zoom”** - Typically 3 photo frames stitched together to provide a wide perspective and up to a 90 degree camera sweep angle
- **Half “Scan, Pan and Zoom”** - Typically 6 photo frames stitched together to provide up to a 180-degree panoramic camera sweep angle
- **Three quarter “Scan, Pan and Zoom”** - Typically 10 photo frames stitched together to provide up to a 270-degree panoramic camera sweep angle
- **Full “Scan, Pan and Zoom”** - Typically 13 - 16 photo frames stitched together to provide up to a 360-degree panoramic camera sweep angle

Revenue Strategy for Video and Imaging Products

iviewit intends to create a profitable, recurring revenue base by performing the following services for customers:

- **Technology Licensing to Parallel Markets**
- **Site Licensing for the Distribution of Product Processed by iviewit** - Each site distributing **iviewit** visual media product must license the technologies. The licensing fee will be collected up front as an annual fee and there may be additional royalties due within each annual licensing period for expanded use of the product.
- **Image and Video Processing** - There is an option between basic processing and edited content processing for a higher quality output. Priority and standard time processing is provided. Priority processing guarantees a next day delivery via file transfer protocol to the customer or posted to the **iviewit** website. Standard delivery is within 5 working days.
- **Web Hosting of Image and Video Content, Linked to a Client’s Site** - This service will be for content owners who do not have the server capacity to store or stream their content and will not be applicable to all clients. This is an extension of the current web site. Seamless linking is a well-established Internet technique and has been validated by **iviewit** testing with prospective customers. Since this is not a core part of its business model, **iviewit** is investigating the option of hosting services through strategic alliances.
- **Photographic or Video Recording Services** - **iviewit** has a national arrangement retaining the services of a large number of professional photographers and video producers in order to handle customer requirements.
- **Web Site Creation and Hosting** - Professional designer support is available through **iviewit’s** subcontract with **Real 3D®, Inc.** and other web site specialists.

Clarify License vs. Service Models

Future Product Developments

iviewit’s goal is to maintain a leadership role in visual technologies and continued research and development will be deployed to this end. **iviewit’s** product output will stress user friendliness, superior picture quality and effective presentation for the

experience by the end user. New markets will include hardware and software applications that will embrace these platform technologies.

Extensions of the current technologies are planned to provide similar improvements in videoconferencing. Early testing has validated the feasibility of these extensions and funding will provide the resource necessary to complete the development work. It is estimated that products could be ready to market within 6-9 months from funding. Also, a TV interface adapter, which allows a PC monitor output to be connected to a TV set, is currently available. Using a TV this way further enhances the quality of the video since a TV set is optimized for displaying video images. This has paved the way for a new era in Pay-Per-View distribution across the Internet.

Note: PPV will work even without the TV adapter. Could stress the PPV aspect of this more.

Industry Analysis

Broadband Industry

The transmission of data intensive content over the Internet has been limited due to both technological and bandwidth constraints. However, the increasing availability of improved delivery systems, such as digital cable modems, T-1 lines, satellite delivery systems and DSL networks are enabling the use of more feature-rich multimedia content.

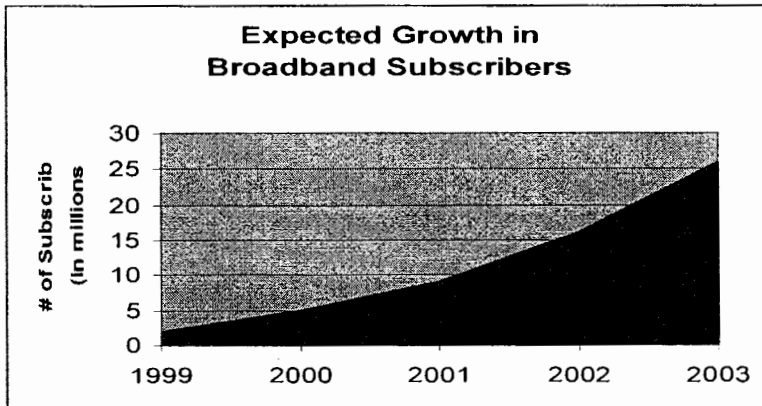


Chart 1.0 - Forrester Research and Broadband Intelligence

Even at these higher bandwidth speeds video quality remained poor until **iviewit** developed processes that allowed users at these speeds TV quality video streaming. These broadband systems typically allow sustained

data transfer to the user of at least 256 kilobits per second, or approximately 5 times the access speed of the fastest standard narrowband modems.

US cable modem subscribers are expected to increase to 3.3 million in 2000 (up from 1.6 million in 1999). DSL customers (serviced by phone companies) will nearly triple to 1.4 million in 2000 from 500,000 in 1999.¹ And the total number of broadband subscribers by the end of Year 2002 and 2003 is expected to be 16 million and 26 million, respectively.²

¹ Broadband Intelligence July 1999

² Forrester Research

Stats still current?

- “Scan, Pan and Zoom” Capabilities
- Cost effectiveness
- Use of standardized technology
- Platform independence

Market Opportunity

Initial Marketing Strategy

iviewit has elected a two-pronged strategy to initially market its technologies. The first stage is to target high profile intellectual property owners and distributors, as clients, to encode their images and videos then watermark those images with **iviewit's** logo. The second stage will capitalize on the many opportunities to co-brand with world-renowned stars and clients interested in bringing marquee events to the Internet medium. As a prime example, Ellen DeGeneres has produced a three-minute video endorsing **iviewit** as the premiere video streaming company, and Hollywood.com has allowed for video clips of movies to be trailed with an **iviewit** branding. *watermark?*

The Company has developed a marketing plan and detailed budget to attack key business segments. The elements of that plan include: (i) a national print media campaign targeting corporate decision makers for encoding images for commercial websites; (ii) a national b2b Public Relations campaign designed to build awareness and demand for the **iviewit.com** imaging technologies targeting the streaming media and digital still imaging markets; (iii) a trade show plan specifying the number of shows the company must attend to promote its imaging technologies and an accompanying plan detailing how the company will effectively present its technologies at those shows; (iv) sales collateral materials to support the sales force; (v) a plan for the acquisition and exploitation of exclusive internet video events to highlight the Company's technologies and turbocharge its public relations efforts; and (vi) an execution strategy to upgrade **iviewit's** website to promote its technologies and support its customers.

The company has budgeted several million dollars in marketing expenditures to undertake these marketing activities. **iviewit** has initiated a search for an advertising/new media agency and a public relations agency with demonstrated competence in the b2b technology space to assist the company in developing and implementing the marketing plan. The Company currently retains a leading Publicist in the entertainment industry.

Strategic Alliances

Real 3D®, Inc.

Maybe helpful to clarify that this is not a retail consumer-marketing approach. I.e., we are not branding iviewit in the eyes of the public at large. Focus is on the b2b sector. More focused and cheap to market.

This sounds more consumer oriented. I-bosh not well received. Are we really planning or doing this? If not, delete (v).

iviewit has established a strategic partnership with **Real 3D®, Inc.**, the premier supplier of 3D graphics technology in the world and holder of more than 40 patents in 3D visualization technology. **Intel has recently acquired Real 3D®, Inc.** Real 3D®, Inc. is providing hosting, serving and technology enhancement services to iviewit. Real 3D®, Inc. has participated in the technology evaluation phase of iviewit's proprietary Imaging and Video Streaming products, and they have stated: "**Real 3D®, Inc. has found iviewit's web-based products to offer an extraordinary high-resolution panoramic view capability that can have many uses in the e-commerce arena.**"

Medical OnLine Inc. (Mediol.com)

Is this a strategic relationship or a broad-based licensing deal?

iviewit has established a strategic relationship with Medical Online (Mediol.com), which is a leading Boston based internet service and data provider offering a unique search engine that provides easy access to clinical and diagnostic data for doctors, hospitals, insurers and patients worldwide. The purpose of this relationship is to facilitate the handling and delivery of healthcare information with high quality imaging and streaming video capabilities. iviewit's technology was chosen by Medical Online to provide a more effective and timely delivery of imaging and healthcare information including the possible addition of MRI's, CT scans and other pertinent data for physicians and leading hospitals. This strategic alliance is expected to provide a more effective means of medical diagnostic evaluations for the treatment of patients. Mediol's mission is to give patients, physicians, and hospitals easy access to an extensive online database of clinical diagnostic data compiled from a number of the world's preeminent medical institutions. With the help of the Medical OnLine search engine, users have the luxury of matching current diagnostic images and graphs with similar or identical archival records, complete with clinical information on each case. Using this data, doctors accomplish better clinical evaluations and create more effective treatment therapies regarding a patient's condition while patients acquire the information they need to take control of their healthcare.

DSI, Inc.

Most recently, iviewit has signed an agreement with DSI, Inc., a global provider of video and photography services to provide corporate clients turnkey production, and iviewit image & video processing for the Internet. DSI was formerly "ZipVideo" and has a network of photographers and video professionals covering every zip code in the U.S. and Canada as well as other international countries.

DSI recently contracted with Dovebid (one of the largest b2b auction websites) to be the sole provider of video and photography services to Dovebid's corporate clients. DSI and iviewit will co-market services to provide full-service production and processing as well as iviewit processing solutions for Dovebid clients.

Again, does this make DSI a licensee or strategic partner? Sounds

DoveBid, Inc. is a leading business-to-business on-line marketplace for capital assets (currently, 19 industrial categories) featuring Webcast auctions and value-added services. With millions of dollars of business assets available for sale, a regular schedule of

like Mediol and DSI are clients, not strategic

Webcast auctions, and an extensive base of large corporate customers, DoveBid is creating a liquid, global market for capital assets.

DoveBid has conducted over 3,000 *industry-specific* auctions throughout the world selling over 10,000,000 individual lots. Buyers from Santa Clara to Singapore have responded by purchasing over \$5 billion in assets.

Markets for Video Streaming and Digital Imaging

Also being installed
on hand-held devices,
e.g., Pocket PC, contains
Media Player.

Streaming media is now the most widely used application, after browsers and online programs like AOL, on the Internet... and it is growing exponentially. Microsoft's Media Player, RealNetworks suite of players and Apple's Quick-Time Player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, *on demand*.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies mentioned above. *iviewit's* suite of technologies will positively affect and benefit all of these parties.

cheaper now,
right?

- **End Consumers for Video and Audio Streaming**— For consumers who have a broadband “pipe” in their homes, streaming video is the “killer application.” The promise of rich visual content defines the reason for paying between \$40 - \$50 per month for the increased bandwidth. It means that consumers can see the entertainment, news, product commercials, infomercials and education videos they want - at near TV quality. That promise will be maximized by the proliferation of content delivered through and with *iviewit*. The companies responsible for providing the infrastructure for broadband recognize the importance of promoting enabling technologies and driving media-rich content to the web. Their paradigm has shifted to include content creation as a significant element of their overall strategy. Greater availability of quality content on the web will increase demand for the pipes necessary to view it.

Mention Advertising Applications? Use in banners, etc.

Business to Business (b2b) E-Commerce Sites for Video and Audio Streaming -

For b2b e-commerce sites, *iviewit's* technologies will provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product manuals through *iviewit's* proprietary system, business e-commerce sites can leverage their video and image investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality visual experiences. Licensing these b2b sites will be a primary market focus for *iviewit's* technologies.

- **Intellectual Property Owners of Video and Audio Content** - For intellectual property owners, including film studios, record companies, independent film

Critical Point! This is why they have been on the sidelines.

producers, television networks, sports leagues etc., ~~iviewit~~ ^{iviewit}'s technologies means that video streaming can finally become a revenue source. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for the small screen, grainy content prevalent on the web today, and the pipeline required for serving these files is expensive. **iviewit**'s technologies provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and reducing the digital stream size required to serve them. These solutions are at the core of **iviewit**'s competitive market advantage.

- **Digital Imaging** - Companies are increasingly using digital imaging to promote their products and present information on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat and two-dimensional offering a limited field of view. The Company's immersive imaging (the ability to create the viewing perspective of being inside the image) is becoming increasingly popular with many web sites across all industries. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. **iviewit** processed images are especially resistant to pixel distortion even when zooming in to obtain screen magnification levels of up to 20:1+.

In summary, the market potential for **iviewit**'s technologies is enormous. **iviewit** will engage in a high profile launch campaign designed to build awareness for its technologies with all the key market influencers and then concentrate on a licensing program to populate its technologies among b2b and b2c Internet sites.

Market Penetration

iviewit has identified various markets to target with its imaging and video streaming technologies. **iviewit** has already begun to sell its technologies to various corporations and is currently in negotiations with the following potential clients.

CONTRACTED ACCOUNTS	PENDING ACCOUNTS
<ul style="list-style-type: none">• <u>Hollywood.com</u>• <u>Hyatt Hotels & Resorts</u>• <u>Gear Magazine/Guccione Media</u>• <u>Ellen DeGeneres</u> ABC• <u>J.M. Lexus</u>• <u>Atlas Entertainment/Tidal 4</u>• <u>Boca Resort & Beach Club</u>• <u>Broadway.com</u>• <u>@american enterprise.com</u>	<ul style="list-style-type: none">• Greg Manning Auctions/Amazon• 3Com Corporation• Playboy.com• MTVi/Viacom• Alliance Entertainment• Healtheon/WebMD• West Palm Beach Lexus• McGee & Star• Signature Eyewear

- | | |
|------------------------------------|-----------------------|
| • <u>KidsCamps.com</u> | • Broadbandsports.com |
| • <u>Great Expectations/KISMET</u> | • Healthstream |
| • <u>Medical Online</u> | • CBS Sportsline.com |
| • <u>Z.com</u> | • Versifi |
| • <u>Lovemate</u> | • Webcasts.com |
| • <u>Sitesnet.com</u> | • Inter@ctivate |
| • <u>Dovebid/DSI</u> | • Ezlinksgolf.com |
| • <u>www.centrack.com</u> | • Machineweb.com |

Video streaming and still image enhancement are nascent markets and there are no benchmarks for pricing **iviewit's** proprietary technology enhancements. **iviewit** realizes that the needs and budget for each customer and indeed across industries vary tremendously. In response to this, **iviewit** will need to specially craft a licensing contract with each customer. **iviewit** has retained top licensing counsel with Foley and Lardner to facilitate this process.

Therefore, **iviewit** has based its licensing strategy and product penetration on the following information:

- **iviewit's** contract negotiations with current clients
- **iviewit's** understanding of what companies (cost effectively) are willing to pay for these technologies, including the business economies of a given industry

Pricing Model – Video Streaming ←

Not clear at all as to how the pricing model differs between license vs. service approach. Please clarify.

iviewit will require an annual license to process a video source into an **iviewit** file to be streamed over the Internet. The licensing fee will depend on the number of distributed servers or images and videos that the customer uses for its web site. The rationale behind this is that the license fee should be greater if the technologies are being used and exploited by a larger number of users. And generally, web sites that have larger number of users require additional distributed servers. **iviewit** has decided to use distributed servers as a usage benchmark (instead of number of hits to the web site streaming the video) because of the ease in benchmarking the fee to clients in this manner.

iviewit charges a per minute fee for the processing of the video. Depending on the needs of the client, the processing of the video will varies greatly. For example, an advertising agency focused on optimizing 30 and 60 second spots will have vastly different requirements than a worldwide hotel chain with three to five minute infomercials on each property. Additionally, there are different levels of processing costs associated with the image quality required by the client. For a client that does not require frame by frame analysis of its video (i.e. a video segment on a local community college), the amount of labor to process the video is minimal and the charge is \$5 a minute to process for each platform and speed. Typically, customers request high and low bandwidth across all

three of the major players resulting in a \$30 per minute fee. For clients who require editing for their video, **iviewit** charges incremental fees priced to account for the time and labor involved.

Although not a core part of its business, **iviewit** will offer video hosting for those clients who need a complete video streaming solution. The monthly storage, database maintenance and serving fee is based on the number of gigabytes hosted by **iviewit**. **iviewit** sees this pricing model as part of its overall plan to identify and “brand” itself as a total solution service-oriented business for its clients. **iviewit** may outsource this service with several partners according to the scope and scale of the client requirements.

Pricing Model – Digital Imaging

iviewit will require an annual license fee to process still images to a zoomable and/or panoramic **iviewit** digital image. The licensing fee increases with additional distributed servers used by the customer.

iviewit will offer a turnkey suite of services to its customers that include: capturing, processing and hosting the images. In addition to the per image processing fee, **iviewit** will also charge a monthly fee for the number of images served.

Audio
Streaming?

Competitive Analysis

Streaming Media Competition

Three recognized companies processing video for streaming are Loudeye Technologies, Inc., Sonic Foundry, Inc., and Microcast, Inc. All of these companies are in their infancy (even though Loudeye and Sonic Foundry are public) and all typically encode streaming video and/or audio using standard, commercially available technology.

In addition, many businesses have resorted to in-house encoding for a variety of reasons including: lack of available services, little or no advantage to using available services or specialized requirements such as response time, or proprietary content. **iviewit** service and licensing offerings provide solutions to these companies not previously available.

A complete matrix follows demonstrating **iviewit**'s competitive advantages over other companies in the streaming media space.

Video Technology Comparison Chart

Good point. Should be more somewhere in text of Biz Plan.

Company	Links	Streaming Video Customer Processing Business Model	Intellectual Property Broadband Video Content Creation Platform Claims	Streaming Video Intellectual Property Claim Areas
Iviewit	<u>Iviewit website</u>	Licensing & Service	YES ²	Platform Technologies for full-screen, full frame rate content creation
Loudeye	<u>Hoovers</u> ^a Loudeye Website	Service Only	NO	My Slide Show
Sonic Foundry	<u>Hoovers</u> ^b Sonic Foundry Website	Service Only	NO	Encoding Automation
VideoDome	VideoDome Website	Service Only	NO ¹	Encoding Automation
Microcast	Microcast Website	Advertising Revenue Share	NO	Browser Video Frame

Video Competitor Analysis

^a Loudeye Technologies has a Web-based MediaUpgrade software that converts audio and video content from such varying formats as AVI, VHS, Quicktime, and WAV to a variety of streaming media formats for Web publishing. Its MySlideShow application is used to make streaming online presentations using both images and sound. Loudeye (formerly Encoding.com) also offers encoding, project analysis, application development, and hosting services.

^b Sonic Foundry makes software for creating, manipulating, and storing digital audio and video data. Its ACID suite enables users to arrange and play back looped sound samples using a PC.

¹ VideoDome claims IP for video processing that speeds up the conversion time by automating the digitizing process.

² Iviewit claims Platform IP for broadband and lowband specific video processing that enables full screen, full motion video at 150+kbps.

Digital Imaging Competition

Can you add addl stats to the chart, i.e., fps, bandwidth, etc.? Criteria listed don't really say much at all. Need f more text analysis of the companies.

Interactive Pictures Corporation, Ulead Systems, Inc. and MGI Software, Corp. are recognized companies providing imaging for the Internet. The result of Iviewit's

(IFLX)

Intellectual Property (Trade Secrets and Patents Pending) advantage is that no other company in the e-commerce imaging space has the ability to display a single image file with high resolution, distortion free “scan, pan and zoom” functionality without the viewer obtaining and installing special software. With **iviewit’s** imaging process, the e-commerce solution achieves the highest resolution image quality upon zooming, enabling virtually high resolution zooms under extraordinary magnifications. **iviewit** currently has the largest full screen virtual imaging capability of any company in this space. The following table outlines the key distinctions.

IPIX needs a proprietary camera. Iviewit does not.

Imaging Technology Comparison Chart

Company	Image Screen Size	Single 360° Zoom	Single Still Zoom	Panning Ability	Simultaneous Zoom & Pan	Virtual Image	Pixelation Upon Zoom	Image Distortion
IPIX-original	small	YES	NO	Up, Dn, Lt, Rt	YES	YES	YES	YES, warping, and “fishbowl” effect
IPIX-bamboo	mid size	NO	NO	Lt, Rt	NO	YES	No zoom available	YES
MGI Software	small	NO ¹	NO	Up, Dn, Lt, Rt	NO ¹	YES	NO	NO
Ulead	small	NO	NO	Up, Dn, Lt, Rt	NO	YES	YES	YES, wavy upon panning
Iviewit	Full	YES	YES	Up, Dn, Lt, Rt	YES	YES	NO	NO

Table 2.0 – Imaging Competitor Analysis

¹ MGI single image zoom files require special plug-in downloads. The universal viewer (viewed through standard browsers) Flashpix format only feeds individual straight JPEGs with no pan or zoom functionality.

iviewit’s Competitive Edge

iviewit is not the only company to provide video/audio streaming and immersive imaging solutions although it is important to understand that **iviewit** has proprietary processes that differentiate it from other providers. The development of **iviewit’s** proprietary technologies and techniques have been the focus of the Company’s patent portfolio.

iviewit’s proprietary technologies have been designed to utilize and take advantage of the burgeoning availability and use of broadband (100-700 Kbps spectrum) using existing user browsers and players (e.g., Real Player, Media Player and Quick Time); other known efforts at video/audio streaming and imaging that were developed for these

bandwidths produced results associated with dial-up modem capabilities. **iviewit** technologies have accomplished previously unachieved quality and features in streaming audio and video, with the intent and capability to drive these advantages downward (from the "sweet-spot," or most efficiently used broadband zone: 150+ Kbps) to the dial-up range. The result is improved quality even at low bandwidths. In comparison, the competition's attempts to improve the quality of streaming video have resulted in significant limitations and compromises such as; reduced frame rates, small screen display and herky-jerky video with "kung-fu" movie-like audio.

Barriers To Entry

iviewit is the first and only company to provide video streaming that delivers a rich video experience with virtually distortion-free, full screen capability at normal, TV- equivalent frame rates of 29.97 fps (frames per second).

Similarly, **iviewit** is the first and only company to provide virtual imaging that preserves and delivers full image quality and detail of the original image - without distortion - not only during compression (up to 100:1), but also through high resolution zoom and magnification.

- These technical breakthroughs, and their commensurate features and benefits, comprise **iviewit**'s Patent portfolio and Trade Secrets, constituting a significant Barrier to Entry to others, while also giving it *First Mover Advantage* in the marketplace
- The proprietary technologies inherent in **iviewit's** portfolio, together with the mathematics required and the algorithms developed to achieve these results, have been translated to provide the underpinnings for the profound intellectual property potential inherent in **iviewit**'s patents pending, also constituting a significant Barrier to Entry
- In accomplishing these technical breakthroughs, **iviewit** has accomplished what engineers previously thought unachievable under current bandwidth limitations. **iviewit's** two-year development investment gives it significant lead-time in this space providing a significant competitive advantage in development time.
- The early customer validation that **iviewit** has enjoyed (as outlined in the Market Penetration section) will generate and enable additional market momentum, not only establishing **iviewit's** breakthrough technologies as unique, but also underscoring and confirming it as the Gold Standard for video/audio streaming and imaging over the Internet. This also creates a significant Barrier to Entry.

Need more analysis! Any statistics on FPS or KBPS for the competitors?

Which company?

Financial and Investment Opportunity

Over the past year, \$3 million has been invested in **iviewit**. The early investor is Huizenga Holdings/Investech Holdings LLC. H. Wayne Huizenga was the CEO of Waste Management and Blockbuster Video before founding Republic Waste Services and AutoNation. Another recent investor is Crossbow Ventures/Alpine, a significant private investment fund, located in Palm Beach and Geneva.

iviewit is presently seeking two investment tranches. The first and most imminent will be a \$2.0 million equity bridge ("the Bridge"), to be completed imminently leading to a significant \$10-20 million capital raise to be achieved by the third calendar quarter of 2000. The second round is expected to carry a significantly higher valuation than the \$2.0 million Bridge, suggesting a potentially meaningful incremental investment opportunity for the investors in the Bridge.

The funds raised from both investment tranches will be used to recruit additional management infrastructure and support staff, expand market applications of **iviewit's** proprietary visual infrastructure Internet technologies, scale up additional equipment necessary to support additional customers and generally fund the Company until its expected break-even in 20 months. Once break-even occurs, **iviewit** rapidly begins generating strong cash flow and high gross margins. At the end of FY Two, **iviewit** is projected to be licensing and supplying its video streaming technologies to over 200 customers and its imaging technologies to over 300 customers. Full projections for the second year post funding, based on a \$10 million raise, call for sales of about \$18.3 million and EBITDA of \$8.3 million. By the end of year two, revenues are expected to achieve a rate of \$38 million per annum and gross margins of 80%.

Way low if we are doing broad-band licensing, is this primarily from service fees? The ramp-up in revenues seems low given the size of the market opportunity.

The principal financial projections included herein are based on a \$10 million investment (Attachment A). However, please see the following pie chart and table which shows the Use of Proceeds for a \$20 million raise.

Is there a use of proceeds schedule for the \$10M raise?

Potential exit strategies for **iviewit** investors may include any one, or a combination, of the following opportunities: IPO, partner with a major company or be acquired.

Management Team

Officers

Brian G. Utley, President - Mr. Utley comes to **iviewit** from a very significant career in the computer industry. For over 30 years, he was responsible for the development of and world-wide management of many of IBM's most successful products, such as the AS400 and the PC. Entering IBM's executive ranks in the early 1980's, Mr. Utley's impact was felt in all areas of that Company's advanced technology product development, including

Biomedical Systems, European Operations and, very significantly, IBM's launch of the PC. Following the U.S. introduction of the PC, Mr. Utley moved to Europe where he was responsible for a number of IBM's overseas activities including product development, product management and market development, the most notable of which was managing the launch of the PC across Europe and the Middle East. His career with IBM culminated with his responsibility as Vice President and General Manager of IBM Boca Raton with a work force of over 6,000 professionals. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results.

Michael A. Reale, VP of Operations - Mr. Reale carries extensive operations and executive management experience, which will enable **iviewit** to develop a well organized and efficient production capability. Mr. Reale began his career with IBM where, over twenty years, he advanced through several production process managerial functions, culminating as Director of Manufacturing for their Personal Computer Division. Following his tenure with IBM, Mr. Reale joined SCI Systems, Inc., a Fortune 500 electronics contract manufacturer, as Senior Vice President, where he was responsible for seven operations both in the U.S. and overseas. Following SCI, Mr. Reale spent two years as President of MGTV Manufacturing Corp., a premier provider of computer memory assemblies with operations in the U. S. and Europe, where he increased sales by 200%. Most recently, Mr. Reale filled successive executive positions with Boca Research, a publicly owned manufacturer of personal computer enhancement and Internet thin client products, where he progressed to and became COO. The particular value-added skills that Mr. Reale brings to **iviewit** encompass operations experience at all levels of an organization, including P&L responsibility, quality and delivery performance accountability.

Who is
the new
CFO guy?

Go Badgers!

Eliot I. Bernstein, Founder and Chief Technology Officer - Mr. Bernstein, is a graduate of University of Wisconsin, specializing in computer science and with a B.S. in psychology. Prior to founding **iviewit**, he spent 15 years creating and developing many innovative, computer-based multi-media marketing tools, which remain in use supporting multi-billion dollar service industries. In 1998, Mr. Bernstein chose to advance these multi-media development tools to new and previously unachieved heights creating the high impact visual applications for the Internet that have become **iviewit's** core enabling technologies. In developing these technologies, Mr. Bernstein adopted a vision that combined his passions for photography and video with a burning desire to see the Internet evolve from a text-based medium to a visually elegant tool. As Chief Technology Officer and the principal inventor of **iviewit's** proprietary technologies, Mr. Bernstein oversees the continuing development and new applications of **iviewit's** core visualization technologies in addition to developing complementary and emerging technologies. He is committed to insuring that **iviewit** achieves and maintains its leadership position as the standard for audio/visual and imaging technologies.

James F. Armstrong, VP of Sales and Marketing - Mr. Armstrong graduated Northwestern University with a major in Economics and Business. Mr. Armstrong has also received a Certified Investment Management Analyst degree from the Wharton

School. He subsequently founded and operated The Armstrong Group, Ltd. The Armstrong Group is a financial planning, insurance consulting and sales firm targeting the corporate executive and high net-worth markets. He has developed marketing materials, formulated policies and procedures and has recruited and supervised a national network of planning and sales specialists for Prudential Securities. In addition, he has experience in building a sales infrastructure for a start-up companies. Mr. Armstrong's extensive knowledge of computer hardware and software applications have served him well in his previous responsibilities, and, together with his broad business experience, uniquely positions him for this leadership role with **iviewit**.

Board of Directors

Brian G. Utley, President

Eliot I. Bernstein, Founder & CTO

Donald G. Kane – Mr. Kane is President of GDI, a privately held holding company that controls 4 business-to-business Internet companies. Prior to joining GDI, Mr. Kane was a Managing Director in the Investment Banking Division of Goldman Sachs & Co. During his fourteen-year career at Goldman Sachs, Mr. Kane created the firm's Midwest Financial Institutions practice and founded a Global Financial Institutions Technology Group. He is a Board member and Vice Chairman of Sagece Systems, Inc., a GDI company and is a member of the Board of Versifi, Inc. and Erogo Systems. Mr. Kane is an advisor to Signcast, Inc., Gryphon Holdings and Capita Technologies. He is a member of the Kellogg Graduate School of Management Advisory Board at Northwestern University and is a member of the Board of the Metropolitan YMCA of Chicago.

Kenneth Anderson - Ken Anderson brings over 20 years of experience in the financial services world to his recent move to Jim Clark's new start-up myCFO. Prior to joining myCFO, Mr. Anderson served as a partner in Arthur Andersen's private client services practice where he created the family wealth and financial planning practice for the southern California practice. He focused on estate and income tax planning for high net worth individuals and families. Mr. Anderson has significant experience in compensation, insurance, and business succession consulting.

He is a board member of the Idyllwild Arts and Boy Scouts of America, Western Council. Ken is a founding member of the Family Business Program at the University of Southern California. He served as director of the Society of CPA/Financial Planners, was a member of the California CPA Society Committee on Personal Financial Planning. Mr. Anderson is on the Board of Directors of **iviewit** and Schaeffer Autosimulation, LLC. Mr. Anderson holds a BS in accounting and economics from Valparaiso University and a JD with an emphasis on taxation from the Valparaiso University School of Law.

H. Hickman Powell, Director – Prior to joining CrossBow Ventures, Mr. Powell spent 14 years as an investment analyst and corporate finance advisor. He worked with

also a former member of the legal staff at Bell Laboratories. Ken received his law degree, cum laude, from New York Law School, and his Ph.D. in physics from the Massachusetts Institute of Technology where he also graduated with a B.S. Degree.

Alan J. Epstein – Mr. Epstein is a shareholder of the entertainment law firm Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C., which is based in Los Angeles. Alan's law practice consists of advising Internet companies on various issues pertaining to the entertainment industry, including the creation, licensing and acquisition of content, the introduction and negotiation of strategic partner relationships, and various other matters relating to the convergence of technology and content. Alan also advises his firm's numerous celebrity clients on the exploitation and protection of their name and likeness rights and content on the Internet, as well as merchandising, endorsement and sponsorship deals. Prior to entering the UCLA School of Law, Alan was a certified public accountant at Deloitte Haskins & Sells in Dallas, Texas.

Christopher C. Wheeler – Mr. Wheeler is a member of Proskauer Rose LLP's Corporate Department and as a partner in the Florida office has a versatile transactional practice. Chris has had extensive experience in real estate and corporate law, institutional lending and workouts, administrative law and industrial revenue bond financing. Moreover, he serves as a strategist and counselor to many clients in handling their other legal and business matters. Chris is well-versed in general corporate law as well as mergers and acquisitions and securities matters. He has guided companies from startup through initial private placements to public offerings. A graduate of Hamilton College and Cornell Law School, Chris was a member of the managing Board of Editor of the Cornell Law Review.

Raymond T. Hersh – Raymond T. Hersh is a private investment banker, also specializing in the strategic development of emerging companies. He has over thirty-five years of successful business and operating experience involving financial services, telecommunications, manufacturing and corporate strategic planning. Most recently, he was co-founder and President/CEO of a telecom start-up specializing in providing healthcare information. For over twenty years, he successively grew two Florida-based specialty manufacturing companies from combined revenues of about \$2.7 million to over \$19 million. Previously, Mr. Hersh spent nine years as an investment banker in New York City where his last position was as President of a member firm of the New York and American Stock Exchanges. Earlier, he spent five years as an Enforcement Attorney with the U. S. Securities and Exchange Commission in New York City where he exited as a Branch Chief. He is a member of the New Jersey and New York Bars.

Eric M. Chen - Mr. Chen is an honors graduate from Harvard University. He has spent much of his career in the field of investment banking where he has specialized in advising, financing and guiding the growth strategies of many health care companies. His areas of expertise include biotechnology, medical diagnostics, and new emerging drug technology and delivery systems. He has served as an analyst, Senior Vice President and Managing Director for several Wall Street firms including Furman Selz, Hambrecht & Quist, Fechtor Detwiler and Southeast Research Partners. Much of his

activities have focused upon early stage growth companies in both the public and private sectors. He has analyzed companies in a wide variety of industries, which include vision care, telecommunications, computer storage, software applications and data management. Mr. Chen is the President of Emerald Capital Partners, which he co-founded with Mr. Buchsbaum, since his departure from Southeast Research Partners in early 1999.

Legal and Accounting Counsel

Arthur Andersen LLP – Auditor - Arthur Andersen's vision is to be *the* partner for success in the New Economy. The firm helps clients find new ways to create, manage and measure value in the rapidly changing global economy. With world-class skills in assurance, tax, consulting and corporate finance, Arthur Andersen has more than 70,000 people in 83 countries that are united by a single worldwide operating structure that fosters inventiveness, knowledge sharing and a focus on client success. Since its beginning in 1913, Arthur Andersen has realized 86 years of uninterrupted growth, with 1999 revenues over \$7 billion. Arthur Andersen is a business unit of Andersen Worldwide.

Proskauer Rose LLP - one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients through the United States and around the world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.

Armstrong Hirsch Jackoway Tyerman & Wertheimer ^{P.C.} - one of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting in developing the business structure of ~~iviewit~~ and strategic relationships for

Foley & Lardner - one of the oldest and largest law firms in America. Founded in 1842, the firm now has more than 750 attorneys in 14 offices, following the February 1996 merger with Weissburg and Aronson, Inc. Foley & Lardner's over 100 highly skilled intellectual property attorneys constitute one of the largest and most sophisticated technology groups in a general-practice law firm in the United States. As one of the few large national law firms with a global intellectual property law group which is uniquely positioned to help iviewit capitalize on its foreign filings. The firm's broad-based representations in litigation, regulatory affairs and general business counseling is complemented by one of the world's most highly trained staffs, which includes 65 engineering and advanced technical degrees, including 12 Ph.D.'s. The list of clients using Foley & Lardner to fill their intellectual property legal needs ranges from small entrepreneurial start-up companies to large international and multinational corporations.

Foley & Lardner attorneys provide solutions and successfully serve the needs of clients around the world, including those situated in the United States, Canada, Latin America, the European Union, Eastern Europe, the Middle East, and the Pacific Rim.

William J. Dick - Special Counsel to the West Palm Beach office of Foley & Lardner. A member of the firm's Intellectual Property Department (Electronics Practice Group), Mr. Dick currently focuses on mentoring other members of the Electronics and Consumer Products Practice Groups in various IP related matters. He also conducts weekly classes in patent related matters for new associates. Mr. Dick joined Foley & Lardner after 26 years with IBM. He began as a patent attorney, and has handled all phases of patent, trademark and copyright duties, including litigation. Mr. Dick's most recent position with IBM was as Assistant General Counsel to IBM Asia Pacific. Mr. Dick is a graduate of the University of Virginia (B.M.E., 1956; L.L.B., 1962 changed to J.D., 1970)

Douglas Boehm - a partner in the Milwaukee office of Foley & Lardner and a member of the firm's Intellectual Property Department (Consumer & Industrial Products Practice Group and Health Information Technology Practice Group), Mr. Boehm practices in the areas of patent, trademark, copyright, and trade secret counseling; U.S. and foreign patent prosecution; and computer software and intellectual property licensing and technology transfers. Mr. Boehm's technical focus encompasses electrical and electronic engineering, including analog/digital/RF circuitry, radio telecommunications, lasers and fiber optics, and computer hardware and software. He has extensive experience in private industry, having worked as a development engineer and patent agent for Motorola, and as patent counsel for a subsidiary of Amoco Technology Company.

Steven C. Becker - an associate in the Milwaukee office of Foley & Lardner. A member of the firm's Intellectual Property Department (Electronics Practice Group), Mr. Becker practices in the areas of patent prosecution, counseling, and validity and product clearance studies. During his undergraduate years, he worked at Delco Electronics on design projects for new and existing automotive electronics technologies.

Do we need to refer him??
Not a partner.

Attachment A - Financial Projections



"iviewit Financials Approved.xls"

If you would like a hard copy of the financials, please run the above Excel executable and print the financials. Once you open the excel workbook, click FILE then, select PRINT, go to the "Print What" section and select "Entire Workbook" and then select OK. In the event that you would like to review the financials on your screen follow the previous steps, except after selecting "Entire Workbook" select "Preview". If you have any problems or would like a hard copy sent please call our toll free number at 877-484-8444.

Wall Street Journal
Mondays, July 17, 2000

WHOM DO YOU TRUST? Often the choice comes down to pure intuition. But in cyberspace, many of the clues we draw on—a person's voice or body language, for instance—are absent. So the Internet's wizards are hard at work trying to computerize trust and turn it into a science. Using equations and databases, they're creating systems known as "reputation managers." Increasingly, these digital repositories of confidence will help you decide whom to do business with and whose recommendations you ought to accept.

Chances are you've already used a rudimentary reputation manager. They're fixtures at some big Web sites in the guise of ratings or feedback systems. On eBay, buyers and sellers rate each other, earning stars when they have enough positive reviews. Shop for a book on Amazon.com and you'll find that critics get reviewed as well as books.

These systems are already proving their worth. But as Web users grow to depend on them, reputation managers deserve new scrutiny. Can they be fooled? Do they place too much emphasis on consensus? Is it truly possible to digitize trust?

ONE OF THE MOST SOPHISTICATED examples of a reputation manager is Epinions.com, a site where people can read and write reviews about all kinds of products and services. The site lets you search for reviews of everything from calculators to kayaks. As you read the writings, you tell the site which ones are helpful and which fellow members you trust. When you come back for more reviews, Epinions prioritizes them based on who has earned a good reputation with you. It works well, and using it is pretty simple.

Under the hood, though, the Epinions system is incredibly complex. When the site's computers decide which reviews to show you, they don't just look at the people you explicitly trust or distrust. They also take into account the preferences expressed by those people, and by the members whose people have chosen to trust, and so on. That requires a lot of complicated number-crunching.

For all that sophistication, the people who designed Epinions think there's a lot more work to be done. "It's incredibly hard to design," says Naval Ravikant, an Epinions founder and the chief



PEAR HONATH

Now, the 'Napsterization' of Movies

Studios Thought It Would Be Years Before Web Piracy Hit Hollywood. Wrong.

By LEE GOMES
Staff Reporter of THE WALL STREET JOURNAL

YOUNG SILICON VALLEY technicians puts a shiny silver disk in a personal computer and clicks a play button. "You're not going to believe this," he says.

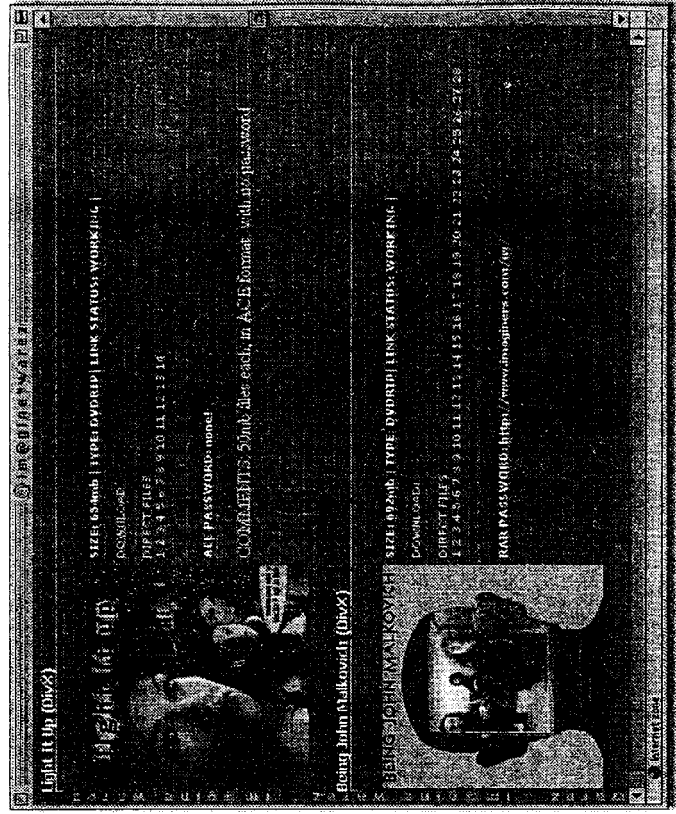
He has a point: What quickly appears on his PC's monitor, by many people's estimation, simply shouldn't be possible technologically.

It is the opening credits of "The Matrix," in a complete, high-quality reproduction that takes up the entire computer screen and comes with booming stereo sound. The remarkable thing is that the movie isn't being played from a high-capacity digital video disk, the sort rented from a video store, but from a regular compact disk, the sort that can be "burned" by any of the hundreds of thousands of homes and offices equipped with PCs and writable CD drives.

Hollywood, your nightmare is here. Thanks to two pieces of software—one "liberated" from Microsoft Corp. by a global underground of video buffs and computer hackers—high-quality digital movies, available on a variety of Web sites, can be stored in 10% to 20% of the space that had been required just six months ago. That means that PC users with high-speed DSL or cable-modem connections can download a full-length movie such as "The Matrix" in an hour or two from a spreading network of illicit Internet sites. The entire film can fit on a single CD or be stored on the computer's hard drive.

The new technology has been dubbed DivX, but is unrelated to the abandoned alternative to DVDs that bore the same name.

The movie industry assumed it would be years before studios faced the sort of digital piracy that is giving the music industry users through sites like Napster. That's because, in contrast to MP3 music files, DVD movie files



DivX on the Web

A growing number of Web sites, some of which are listed below, discuss DivX technology, have DivX-related software available and offer movie trailers for viewing.

An introductory site for DivX
www.mydivx.com/

Home of DivX creator Gej
divx.ctw.cc/

More advanced, technically minded sites
go.to/doom9/
www.fm4.org/
www.digital-digest.com/divx/
windows.divx.st/

Other sites provide full-length copies of movies for downloading. These sites tend to change their Web addresses frequently.

is nearly as good as a DVD in quality. That's a sharp contrast to an earlier generation of grainy pirated movies available on the Net, some of which were created by camcorder-equipped movie pirates who sneaked into theaters. "Right now, DivX is where MP3s were when they first came out. It took a while for people to catch on, but it's gaining fast," says Jan Devos, who runs a Web site that is dedicated to DivX. *Please Turn to Page B7, Column 1*

BOOM TOWN ♦ By Kara Swisher

Filtering Out Noise in the Battle Over Free Digital Music

WE ALL KNOW, of course, how it's going to end. Sometime in the

Napster. Their arguments have been pretty

fare via a vast subscription system spend a lot of time meeting with record company executives and artists assuring them that they want to protect their copyrights. AOL even went so far as to decry the exciting Gnutella swapping program that was born within its own walls to assuage companies like its merger-partner-to-be Time Warner.

Web Piracy Now Hits Hollywood

Continued From Page B1

voted to the new video software but doesn't offer pirated material.

The first of the two pieces of software that make DivX possible is a computer program called DeCSS, which breaks the encryption that is supposed to prevent DVD files from being copied onto a PC in the first place. Several big movie studios have gone to court to try to block the spread of the DeCSS code, although it is readily available on Internet search engines such as that of Yahoo! Inc.

A DVD typically stores close to five gigabytes of data, and many movies are easily that long. Making a high-quality copy at smaller sizes—close to the 650-megabyte capacity of conventional CDs—is the major breakthrough of the new DivX format. That's where the Microsoft software comes in: It compresses digital video files down to a more manageable size. The program is Microsoft's version of MPEG-4, a standard video-compression system used in the computer industry.

Microsoft released the software last year, intending it only for software developers. But Jerome Rota, a 27-year-old French film buff and video engineer who goes by the Internet nickname of "Gej," worked with a German hacker named "Max Morice" to rewrite the software so that anyone can use it to create compact DivX movies. He also coined the DivX name, which is officially written as DivX, (-) in a mocking reference to the earlier DivX, which had stressed its antipiracy features.

Microsoft says it will go after anyone it catches pushing the DivX software, but it has yet to take action. Anyway, that may soon be a moot point: Mr. Rota is busily working on a completely legal implementation of the DivX idea that won't use Microsoft technology at all. In fact, he was in San Diego this past weekend, meeting with American technology experts and financiers who are putting together a company to pursue digital video—one of several groups doing so. The company's working name is ProjectMayo.com.

"DivX was just the beginning," Mr. Rota said in a poolside interview. He sees a multitude of completely legal uses for the technology, ranging from Hollywood

are enjoying sticking it to the record companies which have largely ignored real musicians while lavishing attention on Britney Spears.

What they really mean: No matter who we are, we realize the nub of over Napsster can help us break free from our complex and often onerous relationships with record companies. The ability of

Web Piracy Now Hits Hollywood

studios distributing movie trailers to new-lyweds sending wedding videos to friends.

Right now, though, what is generating all the buzz is DivX as a handy way to pirate movies. The Internet chat rooms known as IRC channels are full of people offering DivX movies for trading; nearly all popular movies available in DVD form are listed. Some Web sites also have full DivX movies available for downloading, although they tend not to be operational very long and their addresses are usually only passed around among insiders. And software-trading systems like Gnutella and Scour list growing numbers of DivX titles.

Many DivX sites don't offer pirated movies and appear to be operating legally. They keep people up to date about developments of the technology, post DivX movie trailers and offer tutorials in playing, as well as making DivX files.

The tutorials are crucial. Most PC owners lack the two pieces of software needed to play a DivX movie and must download them. To create a DivX movie from a DVD is, for the moment at least, a complex and error-prone process that can take six or eight hours. (Making a music CD, by comparison, is a one-button operation that takes a few minutes.)

Even with fast Internet connections, downloading a DivX movie is still more of an ordeal than most computer users would want to put up with, especially since movies can be rented for a few dollars. But MP3s were similarly complicated in the early days. And computers and networks continue to increase in capability at remarkable rates, as does video-compression software. Mr. Rota predicted the first version of his company's software, due out in a few months, would offer better video quality, require less storage space and be simpler to use than the current DivX.

"[The technology] is moving extremely fast," says Jack Valenti, chief executive of the Motion Picture Association of America, the Hollywood trade group. He says he is watching the emerging DivX scene closely: "I worry about the possibility that what happened to music will soon be happening to movies."

get it without paying if no other alternatives are available.

Does everyone involved hear that message loud and clear?



Journal Link: For a searchable archive of Boom Town articles by Kara Swisher, visit the Boom Town Center at WSJ.com.

has especially raised hackers among Internet service providers. The FBI is attempting to install Carnivore on the networks of ISPs as part of specific criminal investigations of online users. But ISPs say they have no way of knowing whether Carnivore is limiting the scope of its surveillance to the cases at hand.

As a result, critics of Carnivore have called on the government to reveal the

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OUR FILE

July 17, 2000

*ALSO ADMITTED IN NEW YORK
*ONLY ADMITTED IN NEW YORK

3744.9.1

Via Facsimile

Mr. Eliot Bernstein
Mr. Brian Utley
One Boca Place
2255 Glades Road, Suite 337W
Boca Raton, FL 33431

Re: Business Plan

Dear Eliot and Brian:

Attached is a copy of the most recent draft Business Plan for iviewit.com, with my comments hand-written in the margins (only pages with comments are enclosed). Overall, the new Business Plan is an excellent improvement. In addition to the other changes I have noted, I recommend that the business plan more clearly delineate the distinction between the license model and the service model with respect to the processing and use of iviewit's technology.

Please continue to send me updated versions of the Business Plan. There are several other investor groups who have requested to see the Business Plan prior to meeting you and your colleagues.

Also enclosed is a copy of an article from today's Wall Street Journal regarding the DivX compression technology. Do you know anything about this?

Best regards.

Very truly yours,


Alan J. Epstein

Mr. Eliot Bernstein
Mr. Brian Utley
July 17, 2000
Page 2

AJE:rdq
Enclosures
AJEM. LETTERS\bermsei2.ltr

cc: Michele M. Mulrooney, Esq.
James R. Jackoway, Esq.
George T. Hayum, Esq.
(all w/encls.)

Quinn, Roxane

From: Epstein, Alan
Sent: Friday, July 14, 2000 9:26 AM
To: Quinn, Roxane
Subject: FW: iviewit.com

please print out attachd biz plan. i can't print it !!!!! aje

-----Original Message-----

From: Eliot I. Bernstein [mailto:alps1@bellsouth.net]
Sent: Friday, July 14, 2000 8:03 AM
To: Cary Meadow (E-mail); Cary Meadow (E-mail 2)
Cc: Alan J. Epstein (E-mail)
Subject: iviewit.com



Untitled Attachment



200000714 iviewit
Business Pla...

*to:
iviewit/
business plan for*



The sights and sounds of the Internet

Strategic Business Plan

Alan Epstein
Comments - 7/15/00

Contact Information:

Brian G. Utley, President

iviewit

One Boca Place

2255 Glades Road, Suite 337W

Boca Raton, Florida 33431

561-999-8899

brian@iviewit.com

COPY #: 35 -- Electronic Distribution

DATE: Friday, July 14, 2000

ISSUED TO: Pacific Capital Group, Inc.

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Confidentiality Statement

This business plan and the exhibits hereto (collectively, the “Plan”) have been submitted on a confidential basis for use by a limited number of sophisticated investors or acquirers (the “Investor(s)”) solely for, and should be used only in connection with, an Investor’s consideration of an investment in **iviewit**, Inc., (the “Company”). Its use for any other purpose is not authorized. Any reproduction or distribution of the Plan, or re-transmittal of its contents, in whole or in part, without the prior written consent of the Company is prohibited.

This Plan contains certain information of a highly confidential nature, including projections by the Company’s management of the Company’s performance and other material of a forward-looking nature. The receipt of this Plan constitutes an agreement on the part of the recipient hereof to maintain the confidentiality of the information contained herein or any additional information subsequently delivered in connection herewith. Investors who accept this Plan or become aware of the information contained herein must understand and comply with the extensive restrictions imposed by Federal and State securities laws upon their ability to disclose information contained herein to others or to participate in or otherwise effect or facilitate any transaction relating to any securities of the Company. Investors who cannot comply fully with such restrictions should not review the information contained herein and should immediately return this Plan to the Company.

Executive Summary

Introduction

iviewit.com (herein after "iviewit" or "The Company") is a developer and provider of proprietary, leading edge visual and audio enabling technologies supporting the infrastructure of the Internet. The Company has developed and launched three breakthrough technologies – video/audio streaming and image enhancement -- that enable (1) full-screen, full-motion video including CD quality audio, (2) full screen high definition pictures that have "scan, pan and zoom" capabilities with a zoom technology never before seen and (3) high fidelity audio streams at low bandwidths. These technologies allow, for the first time, a rich and full Internet experience and virtual environment any time a b2c (Business to Consumer) or b2b (Business to Business) Internet application can be enhanced by or requires a video, audio or photographic presentation. By virtue of its technical backbone technologies, iviewit is leading the advancement of multi-media applications for websites both in streaming video/audio and imaging following the first demonstration of its proprietary technologies in 1998. Since that time, iviewit has refined its several (Patent Pending) processes to transform these technologies into consistently deliverable and commercially accepted Internet solutions.

Company

Mention somewhere that has potential to be a platform technology...

Founded in 1999, iviewit has achieved its first \$3 million in funding which has enabled it to develop, test and commercially launch its visual Internet infrastructure technologies. Initial, key management is in place, and the Company has successfully passed through its technical validation phase to ensure that its technology is fully reproducible and reliable. iviewit then identified several market sectors to emphasize, and it has targeted key early stage customers in order to gain recognition and commercial acceptance. The company has formed strong strategic alliances and partners in both the Internet and Multimedia spaces.

iviewit is engaged in the application of these exciting and new visual and audio technologies for the use by content providers of all types and consumers to make their experience over the Internet dynamic and real. iviewit's business model is to:

- license its proprietary video/audio streaming and imaging technologies for the processing, encoding, managing and specialized web-hosting of source material and content where multi-media Internet distribution is required
- *service bureau work - processing, hosting, etc.*
- develop image and branding for its technology backbone capabilities
- identify and develop expanded vertical sector marketing and new applications

- expand its scalable processing capabilities on a production-controlled basis
- launch broad-based promotion and marketing campaigns through advertising, trade shows and key customer references
- confirm **iviewit** as the industry Gold Standard in supplying leading edge, multi-media visual and audio streaming and imaging infrastructure and tools for the Internet

Clarify - not broadly relevant to consumers. Doesn't clearly delineate the licensing vs. service models

Early in 2000, the Company commercialized, and, as of May 2000, it already has cultivated its first six customers. The combined, annualized revenue of these customers is estimated to reach approximately \$4.0 million once they are implemented and ramped to present customer expectations. As **iviewit** secures its next round of funding, the Company will aggressively accelerate the implementation of its product licensing and service plan.

↳ Give some names here...

Proprietary Technologies

iviewit has developed three complementary technologies to enhance videos, audio and images delivered over the Internet:

1. State-of-the-art, proprietary technologies, enabling full motion/full screen/full frame rate, high quality, distortion-free streaming video and audio to be viewed by any internet video player at amazingly low bandwidths, with extraordinary quality and reduced file sizes. Broadband and modem users can see streaming video with virtually no download time required.
2. State-of-the-art, proprietary technologies, enabling CD quality audio that can be listened to using any internet video player at amazingly low bandwidths, with extraordinary high fidelity sound quality and reduced file sizes.
3. A digital imaging technology creating the opportunity for full screen still images and panoramas that can be zoomed and manipulated, distortion-free, in a virtual environment with almost unlimited magnification.

Changing the Internet Landscape with iviewit Technologies

Video Streaming

Until now, the delivery of video content over the Internet was substantially text-based, and attempts to transmit video content over the Internet have been marred by long downloads, small image size, reduced frame rates and poor quality. Reducing the bandwidth time it takes to transmit files usually has meant delivering a picture that appears herky-jerky and out of sync with the sound. Providing video that is comparable

with television (full motion/full screen/full frame rates), on the other hand, typically has been impossible because of the large file sizes resulting in the need for over 2 T1 lines of bandwidth to watch a single video. Trying to squeeze television-quality video files into sizes that can be transmitted on the Internet proved elusive accompanied by severe limitations, such as the requirement for costly and often unavailable bandwidth. State of the art video even for high bandwidth users (ISDN, DSL, Cable, T1 and Fiber) remained frame and out of sync.

As recently as December 1999, a leading Internet news publication, The Industry Standard indicated that the Internet speed required for Television-like quality video would not be possible until the 700+ Kbps range was reached and that "nowhere in the tech world have there been more unfulfilled promises than in the realm of next-generation television." **iviewit's** video technologies have bridged the gap by enabling distortion-free, TV quality video frame rates with CD quality audio in the 150+ Kbps range, considered optimal for delivering broadcasts over the Internet.

Meanwhile, there is enormous content that has been created for television that is ready for conversion to an Internet application, and the proliferation of new bandwidth capacity via DSL, cable and satellite is finally providing an environment whereby **iviewit's** breakthrough technologies can easily be adopted and utilized. **iviewit** believes that there is virtually unlimited growth opportunity for its proprietary visual Internet backbone technologies. As a matter of fact, Bill Gates recently stated that "streaming media is the fastest moving part of the whole digital world."

Also mention that a superior image and stream is produced for low-speed users. Not just a broadband play.

Imaging

iviewit's imaging process allows computer users to drive into single or panoramic images in a brand new "pan, scan & zoom" environment seamlessly magnifying on any portion of the image at zoom levels never before imagined (20:1+). This breakthrough technology will have far reaching impact as it applies to any photograph that the user wants to enhance. Applications for **iviewit's** technologies are endless.

→ Since you mention Audio Streaming above, don't you need to mention here?

Benefits of **iviewit** Technologies

The principal benefits of **iviewit's** enabling Internet infrastructure technologies follow:

- the technologies significantly enhance the image quality of any video content streamed over the Internet regardless of which media and sound player is utilized
- the technologies allow high quality video streaming in the 150+Kbps ranges, providing better product and price performance for the product delivered and a tremendously improved result at the 28-150Kbps ranges

- the image technologies enhance the ability to view photographic images on the Internet by providing incredible “scan, pan & zoom” enriching the end user experience
- improved audio stream capabilities at both high and low bandwidths

Management

iviewit has established a strong, experienced key management team, supported by a Board of Directors and Advisory Board representing broad management and industry experience, including developing technologies, dealing with patent and business legal issues, financing start-up companies and preparing companies for IPOs. Searches are currently under way to complete the executive management team by the addition of a CEO, a CFO and a Sr. V.P. Marketing and Sales.

iviewit also has an Advisory Board, Legal Counsel and Business Consultants who bring an extensive knowledge base, business connections and experience to the development of **iviewit**.

Market Penetration Strategy & Launch

iviewit has secured initial contract agreements with Hyatt Hotel & Resorts, Hollywood.com, Broadway.com, @merican enterprise.com, JM Lexus, Gear Magazine (Guccione Media), Great Expectations Dating Service and Kids Camps. In addition, **iviewit** is currently negotiating with major corporations such as 3Com, Playboy, and CBS Sportsline.com. The response to the technologies and licensing cost has been very positive. While **iviewit**'s enabling technologies are applicable across a wide spectrum of Business to Business (b2b) and Business to Consumer (b2c) Internet sites, **iviewit** will concentrate its early initiatives in the following areas: Advertising, Entertainment, Health Care, Hotel and Resorts, Luxury Items, Executive Search, Sports, Modeling, and Dating Services.

and several motion picture studios

STET

iviewit plans to highlight its video streaming enabling technologies with high profile websites and events. Currently the Company has established a relationship with Ellen DeGeneres, Tidal 4, Z.Com, Hollywood.com and Broadway.com. These accounts currently provide significant branding of the **iviewit** process with watermarking, logos and personal testimonials.

Intellectual Property

iviewit has protected its enabling technologies by filing five patent pending applications in both the United States and abroad for its video streaming and imaging capabilities, covering a wide array of enabling technologies. The Company also has an additional five remaining Provisional Patent Pending applications that will be converted to patent pending status within the allowable period.

These technologies carry broad claims, where patent searching on several key components has revealed no apparent prior art or conflicting technologies. This gives **iviewit** not only strategic advantage and potential exclusivity in this space, but also the opportunity to license its proprietary technologies on a current and ongoing basis.

iviewit has adopted a two-pronged approach to building an extensive patent portfolio: (1) **iviewit** plans to continue aggressively developing and seeking patent protection for its own proprietary technologies; (2) **iviewit** will further seek to improve upon existing technologies as these technologies come to the market.

Don't bold face. Don't want to over-emphasize the patent procurement and enforcement issues, as they are huge potential weaknesses.

iviewit believes that the processes underlying these inventions are unique and novel, and it has retained **Foley & Lardner**, one of the most reputable patent law firms in the United States to shepherd its patent development and procurement. In addition, **iviewit** has retained **Kenneth Rubenstein** of **Proskauer Rose LLP** to oversee its entire patent portfolio; Mr. Rubenstein is the head of the MPEG-2 patent pool.

Financial Summary and Investment Opportunity

iviewit has raised an initial \$3 million to date, including venture funding received in September 1999 from **Huizenga Holdings, Inc./Investech Holdings LLC**. **Huizenga Holdings** is controlled by **H. Wayne Huizenga**, a successful industrialist best known for starting **Waste Management**, **Blockbuster Video**, **Auto Nation**, **Boca Resorts** and the owner of major sports teams such as the **Miami Dolphins** football team, the **Florida Marlins** baseball team and the **Florida Panthers** hockey team.

Second round funding has been received from **Crossbow Ventures/Alpine**, a significant private investment fund, located in **Palm Beach** and **Geneva**. **Crossbow's** management includes the prior senior infrastructure of **Merrill Lynch Ventures**. **CrossBow's** industry focus corresponds to the tremendous growth that Internet-related companies are experiencing. Their well-balanced portfolio includes companies in technology, telecommunications, healthcare and environmental services sectors.

iviewit is presently seeking two investment tranches. The first and most imminent will be a \$2.0 million equity bridge, to be completed shortly leading to a significant capital raise of up to \$20 million to be achieved by the third calendar quarter of 2000.

Potential exit strategies for **iviewit** investors may include any one, or a combination, of the following opportunities: IPO, partner with a major company or acquisition.

Handwritten scribble at top right.

Strategic Business Plan

Company

*Was this really the name?
Very strange.*

*Was this
an Inc.?
or - LLC?*

iviewit, Inc., LLC located in Boca Raton, Florida, was formed in July of 1999 under the laws of the state of Delaware. **iviewit** was formed to research, develop, license and sell its enabling proprietary Internet based visualization products and services to the e-commerce market through it's wholly owned operating subsidiary **iviewit.com, LLC**. In December of 1999 the Board of Directors authorized the conversion of **iviewit, Inc., LLC** and **iviewit.com, LLC** into "C" corporations. Under the new corporate status they became 'iviewit Holdings, Inc.' and 'iviewit.com, Inc.' respectively and continue to be Delaware corporations.

Which one is the parent company? Which one is raising money? Which one holds the patents? Which one will be the operating company? Need to explain the differences in companies.

Over the past year, **iviewit** has confirmed the efficacy and reliability of its technologies for commercial exploitation, initiated digital imaging production, established a demonstration web site, developed initial key management infrastructure and hired an initial sales staff. The Company **commercialized** early in 2000, and, as of May 2000, has initial high profile customers that have confirmed the commercial value of **iviewit's** technologies. **iviewit** is presently seeking additional financing to support further commercialization and realize the full potential of its products and technologies.

change publicly launched?

Product Applications

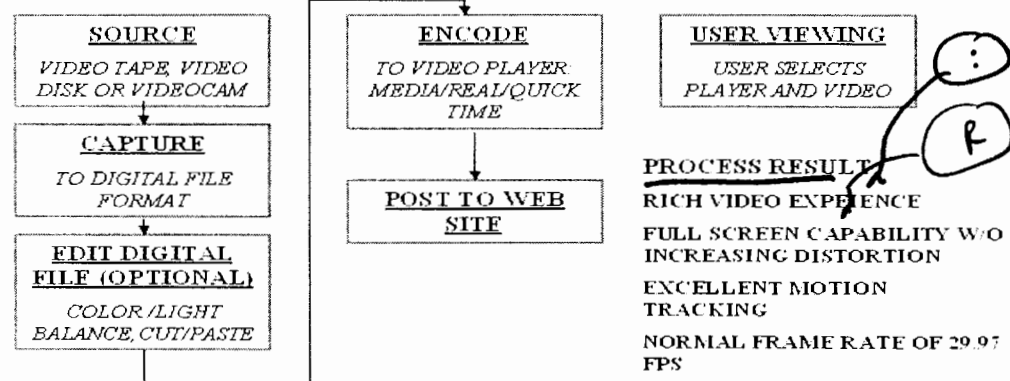
iviewit's impressive visual media products are the result of several years of development focused on the entire process of image/video delivery over the Internet. Care has been taken to be platform agnostic to preserve the broadest possible range of applications and retain the highest viewing audience. **iviewit's** suite of video and imaging technology processes work across all industry platforms; therefore, **iviewit's** video process will enhance Microsoft's Media Player, Apple Quicktime and Real Networks players. The result is industry leadership products without requiring special downloads or equipment. A recent survey indicated that over 90% of site visitors simply "move on" when required to download special software to view pages content. **iviewit** processes are proprietary and protected as Trade Secrets and Patent Pending applications filed with the U.S. and International patent offices. While video streaming and imaging are treated separately, it should be noted that they are complementary both from a process point of view and from a customer perspective. Many potential customers have both requirements such as the resort and hotel industry and the health care industry. **iviewit** views the combination of these products as a suite to be an integral part of its sales portfolio.

and entertainment industry.

Video Streaming Products

These Graphics aren't clear or crisp. Any way to fix? Or is it my printer?

iviewit Streaming Video Process



6/13/2000

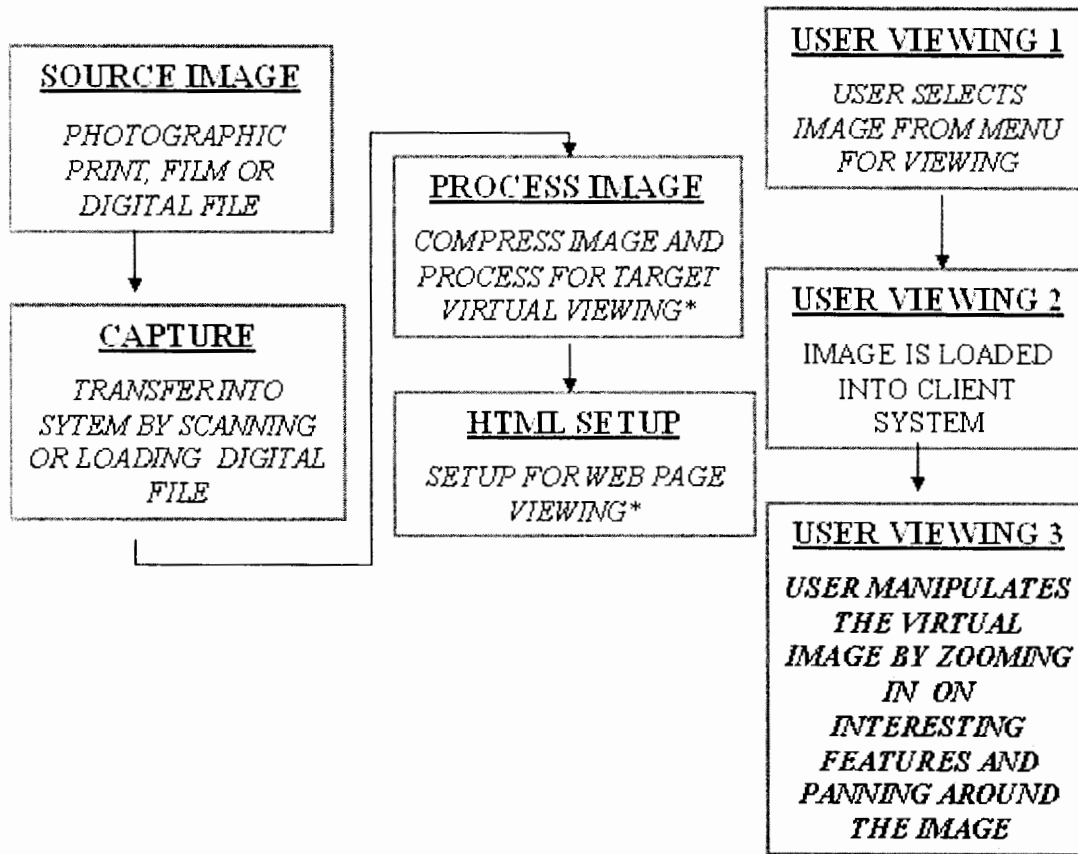
IVIEWIT CONFIDENTIAL

Streaming video is the most exciting form of content distribution over the Internet and has challenged the industry since its inception several years ago. Current processing techniques do not provide solutions for clear, full TV frame rate, full motion, full screen streaming video at 150+ Kbps. **iviewit** has developed encoding solutions that do provide for full motion, full frame rate, full screen streaming video at speeds ranging from 56-150+ Kbps. These competitive advantages are at the core of **iviewit's** market opportunity. *Media improved video on modems. Not just a broadband play.*

Capturing high action and motion in Internet video has been a particular challenge because the image refresh process tends to produce highly distorted pictures. **iviewit** has succeeded in producing near TV quality video over broadband networks and has significantly improved modem results. These results are obtained while minimizing the bandwidth and file sizes required for streaming the video event, a significant economic consideration.

Internet ready streaming digital files are produced from virtually any source creating NTSC (US) compatible or IEEE 1394 firewire interfaces. Other modality such as PAL or SECAM can be accommodated. The output digital files are Microsoft Media Player, Apple Quicktime or RealNetworks RealPlayer compatible. Multiple files are produced for both modem and broadband use. **iviewit's** processing times range from an astonishingly low 3 to 6 times the playtime of the video. The proprietary process is extendable to include video acquisition; even though this phase is not a pre-requisite, improvement in final video quality is attainable by using **iviewit's** total video process.

iviewit Virtual Imaging Process

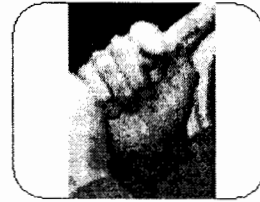


Way to improve graphics?

Iviewit's process captures the detail of the original image and preserves it through the entire process to delivery, over the internet, to the end user. The challenge is to preserve the image quality during compression (up to 100:1) while preserving all the detail for zooming (magnification) without distortion.

* IVIEWIT PROPRIETARY PROCESS

iviewit Virtual Imaging Process



Above left is an example of an original picture. The center image portrays the view on a PC monitor on the internet receiving the picture. Above right the user has zoomed in on the hand position of the batter. The picture has not lost any clarity because of the zooming. To the right the user has panned across the picture to view the batter's head without having to re-trace steps back to the full image.

The process to provide perfect clarity while maintaining the ability to zoom and pan is the heart of iviewit's image patent applications.

7/3/2000

IVIEWIT CONFIDENTIAL

iviewit offers a wide range of "over the web" high quality, full screen imaging technologies. Images processed by **iviewit** can be viewed with extraordinary zoom and within panoramic environments of up to 360 degrees. Images produced by **iviewit's** proprietary process are identical in quality regardless of the end-user's Internet connection speed. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. Output file sizes typically range from 30KB to 400KB for a full 360-degree panorama. Source material may be conventional emulsion type film or digital. Special photographic techniques are employed to ensure the final quality of the process. Unlike conventional web-ready images that become severely distorted after magnification attempts of just 1-2 times, **iviewit** processed images are especially resistant to pixel distortion even when zooming in to obtain screen magnification levels of 20:1+. **Real 3D®, Inc.** engineering teams have reviewed the imaging process and results, and the comment from their review was "superb", "cool" and "elegant".

Mention no special camera equipment required?

These are the types of digital images that **iviewit** can create with its "scan, pan and zoom" technologies:

- **Single shot** - A single photo frame. Used for simple flat scenes or objects with depth imaging

- **Single shot “Pan, Scan and Zoom”** – A single photo frame with the ability to zoom into the picture for magnifications of up to 20X
- **Quarter “Scan, Pan and Zoom”** - Typically 3 photo frames stitched together to provide a wide perspective and up to a 90 degree camera sweep angle
- **Half “Scan, Pan and Zoom”** - Typically 6 photo frames stitched together to provide up to a 180-degree panoramic camera sweep angle
- **Three quarter “Scan, Pan and Zoom”** - Typically 10 photo frames stitched together to provide up to a 270-degree panoramic camera sweep angle
- **Full “Scan, Pan and Zoom”** - Typically 13 - 16 photo frames stitched together to provide up to a 360-degree panoramic camera sweep angle

Revenue Strategy for Video and Imaging Products

iviewit intends to create a profitable, recurring revenue base by performing the following services for customers:

- **Technology Licensing to Parallel Markets**
- **Site Licensing for the Distribution of Product Processed by iviewit** - Each site distributing **iviewit** visual media product must license the technologies. The licensing fee will be collected up front as an annual fee and there may be additional royalties due within each annual licensing period for expanded use of the product.
- **Image and Video Processing** - There is an option between basic processing and edited content processing for a higher quality output. Priority and standard time processing is provided. Priority processing guarantees a next day delivery via file transfer protocol to the customer or posted to the **iviewit** website. Standard delivery is within 5 working days.
- **Web Hosting of Image and Video Content, Linked to a Client’s Site** - This service will be for content owners who do not have the server capacity to store or stream their content and will not be applicable to all clients. This is an extension of the current web site. Seamless linking is a well-established Internet technique and has been validated by **iviewit** testing with prospective customers. Since this is not a core part of its business model, **iviewit** is investigating the option of hosting services through strategic alliances.
- **Photographic or Video Recording Services** - **iviewit** has a national arrangement retaining the services of a large number of professional photographers and video producers in order to handle customer requirements.
- **Web Site Creation and Hosting** - Professional designer support is available through **iviewit**’s subcontract with **Real 3D®, Inc.** and other web site specialists.

Future Product Developments

iviewit’s goal is to maintain a leadership role in visual technologies and continued research and development will be deployed to this end. **iviewit**’s product output will stress user friendliness, superior picture quality and effective presentation for the

Clarify License vs. Service Models

experience by the end user. New markets will include hardware and software applications that will embrace these platform technologies.

Extensions of the current technologies are planned to provide similar improvements in videoconferencing. Early testing has validated the feasibility of these extensions and funding will provide the resource necessary to complete the development work. It is estimated that products could be ready to market within 6-9 months from funding. Also, a TV interface adapter, which allows a PC monitor output to be connected to a TV set, is currently available. Using a TV this way further enhances the quality of the video since a TV set is optimized for displaying video images. This has paved the way for a new era in Pay-Per-View distribution across the Internet.

Note: PPV will work even without the TV adapter. Could stress the PPV aspect of this more.

Industry Analysis

Broadband Industry

The transmission of data intensive content over the Internet has been limited due to both technological and bandwidth constraints. However, the increasing availability of improved delivery systems, such as digital cable modems, T-1 lines, satellite delivery systems and DSL networks are enabling the use of more feature-rich multimedia content.

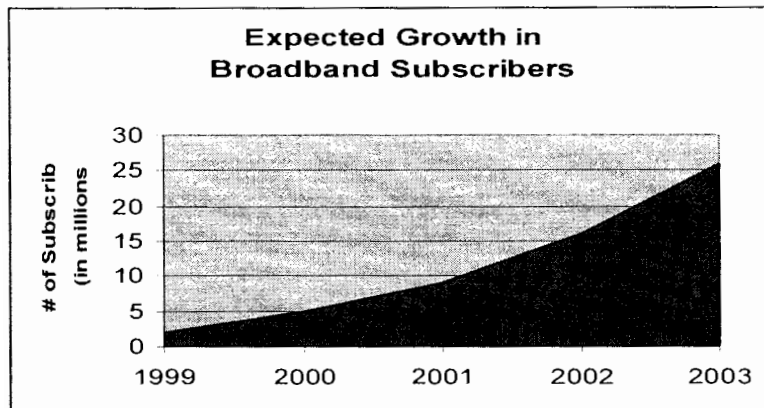


Chart 1.0 - Forrester Research and Broadband Intelligence

data transfer to the user of at least 256 kilobits per second, or approximately 5 times the access speed of the fastest standard narrowband modems.

US cable modem subscribers are expected to increase to 3.3 million in 2000 (up from 1.6 million in 1999). DSL customers (serviced by phone companies) will nearly triple to 1.4 million in 2000 from 500,000 in 1999.¹ And the total number of broadband subscribers by the end of Year 2002 and 2003 is expected to be 16 million and 26 million, respectively.²

¹ Broadband Intelligence July 1999

² Forrester Research

Stats still current?

The broadband industry is drawing billions of dollars in capital investments to develop the necessary infrastructure for broadband content and delivery. The cable companies are massively marketing this existing user base to include broadband access. Similarly, the telephone companies are upgrading their lines to offer DSL access. In addition, major hardware manufacturing companies, application developers and content providers are racing to be the de facto standard for broadband delivery.

Streaming Media Industry

Multimedia streaming technology is bringing new levels of versatility, quality and simplicity to the creation and distribution of multimedia content over the Web. One measure of the growth in use of streaming media is the number of registered users posted by RealNetworks, a company that develops software used by broadcasters to stream multimedia content over the Internet. The first RealPlayer was released in 1995, and to date, over 80 million unique users have been registered. The RealPlayer download rate now exceeds 175,000 per day, an increase of more than 270% since the beginning of 1997.

The emergence of rich multimedia capabilities, such as streaming audio and video, will continue to enhance the effectiveness of the Web as a mass communications medium and Intranets as a means to improve corporate communications. Content delivered through traditional media, such as television and radio, will increasingly be augmented by delivery over the Internet.

Digital Imaging Industry

Companies are rapidly adopting the use of digital imaging to effectively promote their products on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites; however, most of the images remain flat two-dimensional images offering a limited field of view. Technological innovations that enhance realism and interactivity and contribute to a viewer's retention to that web site will facilitate the success of e-commerce by leading to increased sales and advertising rates. Specifically, immersive imaging, or the ability to enjoy the viewing perspective of being inside the image, is becoming increasingly popular with many web sites and webmasters. However, image creation with many of the existing immersive technologies is labor intensive, produces poor visual quality and requires proprietary hardware and software. As a result, market acceptance of these technologies has been limited. Until **iviewit's** digital imaging process the users ability to zoom into a picture or virtual reality environment was limited due to pixel distortion.

In order for widespread adoption of immersive imaging by businesses and consumers to occur, new immersive technologies must compete with **iviewit** standards such as:

- Ease of creating and viewing an image
- Ease of distributing and sharing the image

- “Scan, Pan and Zoom” Capabilities
- Cost effectiveness
- Use of standardized technology
- Platform independence

Market Opportunity

Initial Marketing Strategy

iviewit has elected a two-pronged strategy to initially market its technologies. The first stage is to target high profile intellectual property owners and distributors, as clients, to encode their images and videos then watermark those images with **iviewit's** logo. The second stage will capitalize on the many opportunities to co-brand with world-renowned stars and clients interested in bringing marquee events to the Internet medium. As a prime example, Ellen DeGeneres has produced a three-minute video endorsing **iviewit** as the premiere video streaming company, and Hollywood.com has allowed for video clips of movies to be trailed with an **iviewit** branding. *watermark?*

The Company has developed a marketing plan and detailed budget to attack key business segments. The elements of that plan include: (i) a national print media campaign targeting corporate decision makers for encoding images for commercial websites; (ii) a national b2b Public Relations campaign designed to build awareness and demand for the **iviewit.com** imaging technologies targeting the streaming media and digital still imaging markets; (iii) a trade show plan specifying the number of shows the company must attend to promote its imaging technologies and an accompanying plan detailing how the company will effectively present its technologies at those shows; (iv) sales collateral materials to support the sales force; (v) a plan for the acquisition and exploitation of exclusive internet video events to highlight the Company's technologies and turbocharge its public relations efforts; and (vi) an execution strategy to upgrade **iviewit's** web site to promote its technologies and support its customers.

The company has budgeted several million dollars in marketing expenditures to undertake these marketing activities. **iviewit** has initiated a search for an advertising/new media agency and a public relations agency with demonstrated competence in the b2b technology space to assist the company in developing and implementing the marketing plan. The Company currently retains a leading Publicist in the entertainment industry.

Strategic Alliances

Real 3D®, Inc.

Maybe helpful to clarify that this is not a retail consumer-marketing approach. I.e., we are not branding iviewit in the eyes of the public at large. Focus is on the b2b sector. More focused and cheap to market.

This sounds more consumer oriented. I-bash not well received. Are we really planning or doing this? If not, delete (v).

iviewit has established a strategic partnership with Real 3D®, Inc., the premier supplier of 3D graphics technology in the world and holder of more than 40 patents in 3D visualization technology. Intel has recently acquired Real 3D®, Inc.. Real 3D®, Inc. is providing hosting, serving and technology enhancement services to iviewit. Real 3D®, Inc. has participated in the technology evaluation phase of iviewit's proprietary Imaging and Video Streaming products, and they have stated: "Real 3D®, Inc. has found iviewit's web-based products to offer an extraordinary high-resolution panoramic view capability that can have many uses in the e-commerce arena."

Medical OnLine Inc. (Mediol.com)

Is this a strategic relationship or a broad-based licensing deal?

iviewit has established a strategic relationship with Medical Online (Mediol.com), which is a leading Boston based internet service and data provider offering a unique search engine that provides easy access to clinical and diagnostic data for doctors, hospitals, insurers and patients worldwide. The purpose of this relationship is to facilitate the handling and delivery of healthcare information with high quality imaging and streaming video capabilities. iviewit's technology was chosen by Medical Online to provide a more effective and timely delivery of imaging and healthcare information including the possible addition of MRI's, CT scans and other pertinent data for physicians and leading hospitals. This strategic alliance is expected to provide a more effective means of medical diagnostic evaluations for the treatment of patients. Mediol's mission is to give patients, physicians, and hospitals easy access to an extensive online database of clinical diagnostic data compiled from a number of the world's preeminent medical institutions. With the help of the Medical OnLine search engine, users have the luxury of matching current diagnostic images and graphs with similar or identical archival records, complete with clinical information on each case. Using this data, doctors accomplish better clinical evaluations and create more effective treatment therapies regarding a patient's condition while patients acquire the information they need to take control of their healthcare.

DSI, Inc.

Most recently, iviewit has signed an agreement with DSI, Inc., a global provider of video and photography services to provide corporate clients turnkey production, and iviewit image & video processing for the Internet. DSI was formerly "ZipVideo" and has a network of photographers and video professionals covering every zip code in the U.S. and Canada as well as other international countries.

DSI recently contracted with Dovebid (one of the largest b2b auction websites) to be the sole provider of video and photography services to Dovebid's corporate clients. DSI and iviewit will co-market services to provide full-service production and processing as well as iviewit processing solutions for Dovebid clients.

Again, does this make DSI a licensee or strategic partner? Sounds

DoveBid, Inc. is a leading business-to-business on-line marketplace for capital assets (currently, 19 industrial categories) featuring Webcast auctions and value-added services. With millions of dollars of business assets available for sale, a regular schedule of

like Mediol and DSI are clients,

not strategic

partners.

Webcast auctions, and an extensive base of large corporate customers, DoveBid is creating a liquid, global market for capital assets.

DoveBid has conducted over 3,000 *industry-specific* auctions throughout the world selling over 10,000,000 individual lots. Buyers from Santa Clara to Singapore have responded by purchasing over \$5 billion in assets.

Markets for Video Streaming and Digital Imaging

Also being installed on hand-held devices, e.g., Pocket PC, Media Player.

Streaming media is now the most widely used application, after browsers and online programs like AOL, on the Internet... and it is growing exponentially. Microsoft's Media Player, RealNetworks suite of players and Apple's Quick-Time Player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, *on demand*.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies mentioned above. **iviewit's** suite of technologies will positively affect and benefit all of these parties.

cheaper now, risk?

- **End Consumers for Video and Audio Streaming**— For consumers who have a broadband “pipe” in their homes, streaming video is the “killer application.” The promise of rich visual content defines the reason for paying between \$40 - \$50 per month for the increased bandwidth. It means that consumers can see the entertainment, news, product commercials, infomercials and education videos they want - at near TV quality. That promise will be maximized by the proliferation of content delivered through and with **iviewit**. The companies responsible for providing the infrastructure for broadband recognize the importance of promoting enabling technologies and driving media-rich content to the web. Their paradigm has shifted to include content creation as a significant element of their overall strategy. Greater availability of quality content on the web will increase demand for the pipes necessary to view it.

Mention Advertising Applications? Use in banners, etc.

Business to Business (b2b) E-Commerce Sites for Video and Audio Streaming - For b2b e-commerce sites, **iviewit's** technologies will provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product manuals through **iviewit's** proprietary system, business e-commerce sites can leverage their video and image investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality visual experiences. Licensing these b2b sites will be a primary market focus for **iviewit's** technologies.

- **Intellectual Property Owners of Video and Audio Content** - For intellectual property owners, including film studios, record companies, independent film

Critical Point! This is why they have been on the sidelines.

producers, television networks, sports leagues etc., **iviewit's** technologies means that video streaming can finally become a revenue source. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for the small screen, grainy content prevalent on the web today, and the pipeline required for serving these files is expensive. **iviewit's** technologies provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and reducing the digital stream size required to serve them. These solutions are at the core of **iviewit's** competitive market advantage.

- **Digital Imaging** - Companies are increasingly using digital imaging to promote their products and present information on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat and two-dimensional offering a limited field of view. The Company's immersive imaging (the ability to create the viewing perspective of being inside the image) is becoming increasingly popular with many web sites across all industries. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. **iviewit** processed images are especially resistant to pixel distortion even when zooming in to obtain screen magnification levels of up to 20:1+.

In summary, the market potential for **iviewit's** technologies is enormous. **iviewit** will engage in a high profile launch campaign designed to build awareness for its technologies with all the key market influencers and then concentrate on a licensing program to populate its technologies among b2b and b2c Internet sites.

Market Penetration

iviewit has identified various markets to target with its imaging and video streaming technologies. **iviewit** has already begun to sell its technologies to various corporations and is currently in negotiations with the following potential clients.

CONTRACTED ACCOUNTS	PENDING ACCOUNTS
<ul style="list-style-type: none">• <u>Hollywood.com</u>• <u>Hyatt Hotels & Resorts</u>• <u>Gear Magazine/Guccione Media</u>• <u>Ellen DeGeneres</u> <i>EB</i>• <u>J.M. Lexus</u>• <u>Atlas Entertainment/Tidal 4</u>• <u>Boca Resort & Beach Club</u>• <u>Broadway.com</u>• <u>@merican enterprise.com</u>	<ul style="list-style-type: none">• Greg Manning Auctions/Amazon• 3Com Corporation• Playboy.com• MTVi/Viacom• Alliance Entertainment• Healthon/WebMD• West Palm Beach Lexus• McGee & Star• Signature Eyewear

- | | |
|------------------------------------|-----------------------|
| • <u>KidsCamps.com</u> | • Broadbandsports.com |
| • <u>Great Expectations/KISMET</u> | • Healthstream |
| • <u>Medical Online</u> | • CBS Sportsline.com |
| • <u>Z.com</u> | • Versifi |
| • <u>Lovemate</u> | • Webcasts.com |
| • <u>Sitesnet.com</u> | • Inter@ctivate |
| • <u>Dovebid/DSI</u> | • Ezlinksgolf.com |
| • <u>www.centrack.com</u> | • Machineweb.com |

Video streaming and still image enhancement are nascent markets and there are no benchmarks for pricing **iviewit's** proprietary technology enhancements. **iviewit** realizes that the needs and budget for each customer and indeed across industries vary tremendously. In response to this, **iviewit** will need to specially craft a licensing contract with each customer. **iviewit** has retained top licensing counsel with Foley and Lardner to facilitate this process.

Therefore, **iviewit** has based its licensing strategy and product penetration on the following information:

- **iviewit's** contract negotiations with current clients
- **iviewit's** understanding of what companies (cost effectively) are willing to pay for these technologies, including the business economies of a given industry

Pricing Model – Video Streaming ←

Not clear at all as to how the pricing model differs between license vs. service approach. Please clarify.

iviewit will require an annual license to process a video source into an **iviewit** file to be streamed over the Internet. The licensing fee will depend on the number of distributed servers or images and videos that the customer uses for its web site. The rationale behind this is that the license fee should be greater if the technologies are being used and exploited by a larger number of users. And generally, web sites that have larger number of users require additional distributed servers. **iviewit** has decided to use distributed servers as a usage benchmark (instead of number of hits to the web site streaming the video) because of the ease in benchmarking the fee to clients in this manner.

iviewit charges a per minute fee for the processing of the video. Depending on the needs of the client, the processing of the video will varies greatly. For example, an advertising agency focused on optimizing 30 and 60 second spots will have vastly different requirements than a worldwide hotel chain with three to five minute infomercials on each property. Additionally, there are different levels of processing costs associated with the image quality required by the client. For a client that does not require frame by frame analysis of its video (i.e. a video segment on a local community college), the amount of labor to process the video is minimal and the charge is \$5 a minute to process for each platform and speed. Typically, customers request high and low bandwidth across all

three of the major players resulting in a \$30 per minute fee. For clients who require editing for their video, **iviewit** charges incremental fees priced to account for the time and labor involved.

Although not a core part of its business, **iviewit** will offer video hosting for those clients who need a complete video streaming solution. The monthly storage, database maintenance and serving fee is based on the number of gigabytes hosted by **iviewit**. **iviewit** sees this pricing model as part of its overall plan to identify and “brand” itself as a total solution service-oriented business for its clients. **iviewit** may outsource this service with several partners according to the scope and scale of the client requirements.

Pricing Model – Digital Imaging

iviewit will require an annual license fee to process still images to a zoomable and/or panoramic **iviewit** digital image. The licensing fee increases with additional distributed servers used by the customer.

iviewit will offer a turnkey suite of services to its customers that include: capturing, processing and hosting the images. In addition to the per image processing fee, **iviewit** will also charge a monthly fee for the number of images served.

Audio Streaming?

Competitive Analysis

Streaming Media Competition

Three recognized companies processing video for streaming are Loudeye Technologies, Inc., Sonic Foundry, Inc., and Microcast, Inc. All of these companies are in their infancy (even though Loudeye and Sonic Foundry are public) and all typically encode streaming video and/or audio using standard, commercially available technology.

In addition, many businesses have resorted to in-house encoding for a variety of reasons including: lack of available services, little or no advantage to using available services or specialized requirements such as response time, or proprietary content. **iviewit** service and licensing offerings provide solutions to these companies not previously available.

A complete matrix follows demonstrating **iviewit's** competitive advantages over other companies in the streaming media space.

Video Technology Comparison Chart

Good point. Should be more somewhere in text of Biz Plan.

Company	Links	Streaming Video Customer Processing Business Model	Intellectual Property Broadband Video Content Creation Platform Claims	Streaming Video Intellectual Property Claim Areas
Iviewit	<u>Iviewit website</u>	Licensing & Service	YES ²	Platform Technologies for full-screen, full frame rate content creation
Loudeye	<u>Hoovers</u> ^a Loudeye Website	Service Only	NO	My Slide Show
Sonic Foundry	<u>Hoovers</u> ^b Sonic Foundry Website	Service Only	NO	Encoding Automation
VideoDome	VideoDome Website	Service Only	NO ¹	Encoding Automation
Microcast	Microcast Website	Advertising Revenue Share	NO	Browser Video Frame

Video Competitor Analysis

^a Loudeye Technologies has a Web-based MediaUpgrade software that converts audio and video content from such varying formats as AVI, VHS, Quicktime, and WAV to a variety of streaming media formats for Web publishing. Its MySlideShow application is used to make streaming online presentations using both images and sound. Loudeye (formerly Encoding.com) also offers encoding, project analysis, application development, and hosting services.

^b Sonic Foundry makes software for creating, manipulating, and storing digital audio and video data. Its ACID suite enables users to arrange and play back looped sound samples using a PC.

¹ VideoDome claims IP for video processing that speeds up the conversion time by automating the digitizing process.

² Iviewit claims Platform IP for broadband and lowband specific video processing that enables full screen, full motion video at 150+kbps.

Digital Imaging Competition

Interactive Pictures Corporation, Ulead Systems, Inc. and MGI Software, Corp. are recognized companies providing imaging for the Internet. The result of Iviewit's

Can you add add'l stats to the chart, i.e., fps, bandwidth, etc.? Criteria listed don't really say much at all. Need more text analysis of the companies.

(IPL)

Intellectual Property (Trade Secrets and Patents Pending) advantage is that no other company in the e-commerce imaging space has the ability to display a single image file with high resolution, distortion free “scan, pan and zoom” functionality without the viewer obtaining and installing special software. With **iviewit**’s imaging process, the e-commerce solution achieves the highest resolution image quality upon zooming, enabling virtually high resolution zooms under extraordinary magnifications. **iviewit** currently has the largest full screen virtual imaging capability of any company in this space. The following table outlines the key distinctions.

IPIX needs a proprietary camera. Iviewit does not.

Imaging Technology Comparison Chart

Company	Image Screen Size	Single 360° Zoom	Single Still Zoom	Panning Ability	Simultaneous Zoom & Pan	Virtual Image	Pixelation Upon Zoom	Image Distortion
IPIX-original	small	YES	NO	Up, Dn, Lt, Rt	YES	YES	YES	YES, warping, and “fishbowl” effect
IPIX-bamboo	mid size	NO	NO	Lt, Rt	NO	YES	No zoom available	YES
MGI Software	small	NO ¹	NO	Up, Dn, Lt, Rt	NO ¹	YES	NO	NO
Ulead	small	NO	NO	Up, Dn, Lt, Rt	NO	YES	YES	YES, wavy upon panning
Iviewit	Full	YES	YES	Up, Dn, Lt, Rt	YES	YES	NO	NO

Table 2.0 – Imaging Competitor Analysis

¹ MGI single image zoom files require special plug-in downloads. The universal viewer (viewed through standard browsers) Flashpix format only feeds individual straight JPEGs with no pan or zoom functionality.

iviewit’s Competitive Edge

iviewit is not the only company to provide video/audio streaming and immersive imaging solutions although it is important to understand that **iviewit** has proprietary processes that differentiate it from other providers. The development of **iviewit**’s proprietary technologies and techniques have been the focus of the Company’s patent portfolio.

iviewit’s proprietary technologies have been designed to utilize and take advantage of the burgeoning availability and use of broadband (100-700 Kbps spectrum) using existing user browsers and players (e.g., Real Player, Media Player and Quick Time); other known efforts at video/audio streaming and imaging that were developed for these

bandwidths produced results associated with dial-up modem capabilities. **iviewit** technologies have accomplished previously unachieved quality and features in streaming audio and video, with the intent and capability to drive these advantages downward (from the "sweet-spot," or most efficiently used broadband zone: 150+ Kbps) to the dial-up range. The result is improved quality even at low bandwidths. In comparison, the competition's attempts to improve the quality of streaming video have resulted in significant limitations and compromises such as; reduced frame rates, small screen display and herky-jerky video with "kung-fu" movie-like audio.

Barriers To Entry

iviewit is the first and only company to provide video streaming that delivers a rich video experience with virtually distortion-free, full screen capability at normal, TV- equivalent frame rates of 29.97 fps (frames per second).

Similarly, **iviewit** is the first and only company to provide virtual imaging that preserves and delivers full image quality and detail of the original image - without distortion - not only during compression (up to 100:1), but also through high resolution zoom and magnification.

- These technical breakthroughs, and their commensurate features and benefits, comprise **iviewit** 's Patent portfolio and Trade Secrets, constituting a significant Barrier to Entry to others, while also giving it *First Mover Advantage* in the marketplace
- The proprietary technologies inherent in **iviewit**'s portfolio, together with the mathematics required and the algorithms developed to achieve these results, have been translated to provide the underpinnings for the profound intellectual property potential inherent in **iviewit** 's patents pending, also constituting a significant Barrier to Entry
- In accomplishing these technical breakthroughs, **iviewit** has accomplished what engineers previously thought unachievable under current bandwidth limitations. **iviewit**'s two-year development investment gives it significant lead-time in this space providing a significant competitive advantage in development time.
- The early customer validation that **iviewit** has enjoyed (as outlined in the Market Penetration section) will generate and enable additional market momentum, not only establishing **iviewit**'s breakthrough technologies as unique, but also underscoring and confirming it as the Gold Standard for video/audio streaming and imaging over the Internet. This also creates a significant Barrier to Entry.

Need more analysis! Any details on 29 FPS or KBPS for other competitors?

Which company?

Financial and Investment Opportunity

Over the past year, \$3 million has been invested in **iviewit**. The early investor is Huizenga Holdings/Investech Holdings LLC. H. Wayne Huizenga was the CEO of Waste Management and Blockbuster Video before founding Republic Waste Services and AutoNation. Another recent investor is Crossbow Ventures/Alpine, a significant private investment fund, located in Palm Beach and Geneva.

iviewit is presently seeking two investment tranches. The first and most imminent will be a \$2.0 million equity bridge ("the Bridge"), to be completed imminently leading to a significant \$10-20 million capital raise to be achieved by the third calendar quarter of 2000. The second round is expected to carry a significantly higher valuation than the \$2.0 million Bridge, suggesting a potentially meaningful incremental investment opportunity for the investors in the Bridge.

The funds raised from both investment tranches will be used to recruit additional management infrastructure and support staff, expand market applications of **iviewit's** proprietary visual infrastructure Internet technologies, scale up additional equipment necessary to support additional customers and generally fund the Company until its expected break-even in 20 months. Once break-even occurs, **iviewit** rapidly begins generating strong cash flow and high gross margins. At the end of FY Two, **iviewit** is projected to be licensing and supplying its video streaming technologies to over 200 customers and its imaging technologies to over 300 customers. Full projections for the second year post funding, based on a \$10 million raise, call for sales of about \$18.3 million and EBITDA of \$8.3 million. By the end of year two, revenues are expected to achieve a rate of \$38 million per annum and gross margins of 80%.

The principal financial projections included herein are based on a \$10 million investment (Attachment A). However, please see the following pie chart and table which shows the Use of Proceeds for a \$20 million raise.

Is there a use of proceeds schedule for the \$10M raise?

Potential exit strategies for **iviewit** investors may include any one, or a combination, of the following opportunities: IPO, partner with a major company or be acquired.

Management Team

Officers

Brian G. Utley, President - Mr. Utley comes to **iviewit** from a very significant career in the computer industry. For over 30 years, he was responsible for the development of and world-wide management of many of IBM's most successful products, such as the AS400 and the PC. Entering IBM's executive ranks in the early 1980's, Mr. Utley's impact was felt in all areas of that Company's advanced technology product development, including

Way low if we are doing broad-based licensing, is this primary from service fees? The ramp-up in revenues seems low since the size of the market opportunity.

Biomedical Systems, European Operations and, very significantly, IBM's launch of the PC. Following the U.S. introduction of the PC, Mr. Utley moved to Europe where he was responsible for a number of IBM's overseas activities including product development, product management and market development, the most notable of which was managing the launch of the PC across Europe and the Middle East. His career with IBM culminated with his responsibility as Vice President and General Manager of IBM Boca Raton with a work force of over 6,000 professionals. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results.

Michael A. Reale, VP of Operations - Mr. Reale carries extensive operations and executive management experience, which will enable **iviewit** to develop a well organized and efficient production capability. Mr. Reale began his career with IBM where, over twenty years, he advanced through several production process managerial functions, culminating as Director of Manufacturing for their Personal Computer Division. Following his tenure with IBM, Mr. Reale joined SCI Systems, Inc., a Fortune 500 electronics contract manufacturer, as Senior Vice President, where he was responsible for seven operations both in the U.S. and overseas. Following SCI, Mr. Reale spent two years as President of MGV Manufacturing Corp., a premier provider of computer memory assemblies with operations in the U. S. and Europe, where he increased sales by 200%. Most recently, Mr. Reale filled successive executive positions with Boca Research, a publicly owned manufacturer of personal computer enhancement and Internet thin client products, where he progressed to and became COO. The particular value-added skills that Mr. Reale brings to **iviewit** encompass operations experience at all levels of an organization, including P&L responsibility, quality and delivery performance accountability.

Who is
he new
CFO 5/97?

Go Badgers!

Eliot I. Bernstein, Founder and Chief Technology Officer - Mr. Bernstein, is a graduate of University of Wisconsin, specializing in computer science and with a B.S. in psychology. Prior to founding **iviewit**, he spent 15 years creating and developing many innovative, computer-based multi-media marketing tools, which remain in use supporting multi-billion dollar service industries. In 1998, Mr. Bernstein chose to advance these multi-media development tools to new and previously unachieved heights creating the high impact visual applications for the Internet that have become **iviewit's** core enabling technologies. In developing these technologies, Mr. Bernstein adopted a vision that combined his passions for photography and video with a burning desire to see the Internet evolve from a text-based medium to a visually elegant tool. As Chief Technology Officer and the principal inventor of **iviewit's** proprietary technologies, Mr. Bernstein oversees the continuing development and new applications of **iviewit's** core visualization technologies in addition to developing complementary and emerging technologies. He is committed to insuring that **iviewit** achieves and maintains its leadership position as the standard for audio/visual and imaging technologies.

James F. Armstrong, VP of Sales and Marketing - Mr. Armstrong graduated Northwestern University with a major in Economics and Business. Mr. Armstrong has also received a Certified Investment Management Analyst degree from the Wharton

School. He subsequently founded and operated The Armstrong Group, Ltd. The Armstrong Group is a financial planning, insurance consulting and sales firm targeting the corporate executive and high net-worth markets. He has developed marketing materials, formulated policies and procedures and has recruited and supervised a national network of planning and sales specialists for Prudential Securities. In addition, he has experience in building a sales infrastructure for a start-up companies. Mr. Armstrong's extensive knowledge of computer hardware and software applications have served him well in his previous responsibilities, and, together with his broad business experience, uniquely positions him for this leadership role with **iviewit**.

Board of Directors

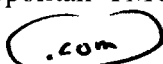


Brian G. Utley, President

Eliot I. Bernstein, Founder & CTO

Donald G. Kane – Mr. Kane is President of GDI, a privately held holding company that controls 4 business-to-business Internet companies. Prior to joining GDI, Mr. Kane was a Managing Director in the Investment Banking Division of Goldman Sachs & Co. During his fourteen-year career at Goldman Sachs, Mr. Kane created the firm's Midwest Financial Institutions practice and founded a Global Financial Institutions Technology Group. He is a Board member and Vice Chairman of Sagence Systems, Inc., a GDI company and is a member of the Board of Versifi, Inc. and Erogo Systems. Mr. Kane is an advisor to Signcast, Inc., Gryphon Holdings and Capita Technologies. He is a member of the Kellogg Graduate School of Management Advisory Board at Northwestern University and is a member of the Board of the Metropolitan YMCA of Chicago.

Kenneth Anderson - Ken Anderson brings over 20 years of experience in the financial services world to his recent move to Jim Clark's new start-up myCFO. Prior to joining myCFO, Mr. Anderson served as a partner in Arthur Andersen's private client services practice where he created the family wealth and financial planning practice for the southern California practice. He focused on estate and income tax planning for high net worth individuals and families. Mr. Anderson has significant experience in compensation, insurance, and business succession consulting.



He is a board member of the Idyllwild Arts and Boy Scouts of America, Western Council. Ken is a founding member of the Family Business Program at the University of Southern California. He served as director of the Society of CPA/Financial Planners, was a member of the California CPA Society Committee on Personal Financial Planning. Mr. Anderson is on the Board of Directors of **iviewit** and Schaeffer Autosimulation, LLC. Mr. Anderson holds a BS in accounting and economics from Valparaiso University and a JD with an emphasis on taxation from the Valparaiso University School of Law.

H. Hickman Powell, Director – Prior to joining CrossBow Ventures, Mr. Powell spent 14 years as an investment analyst and corporate finance advisor. He worked with

McKinsey & Company and J.P. Morgan Investment Management, both based in London. Among his primary areas of expertise are technology research and economic research, including electronics, telecommunications and computer software. Most recently, he was Senior Technology Analyst and Vice President of Southeast Research Partners, Inc. where he worked with leading technology companies. He earned a bachelor of arts degree at Yale University and a master of business administration degree at Stanford University.

Maurice R. Buchsbaum, Director – Mr. Buchsbaum has engaged in corporate finance projects as a principal, advisor, consultant, officer, director or senior managing director for the past 27 years. As a partner or senior officer of several leading investment banks (including Drexel Burnham, Kidder Peabody and JW Genesis), he has worked in all aspects of corporate finance. He formed Emerald Capital Partners in early 1999, to provide strategic planning and banking advice to a myriad of small and medium sized American growth companies. He has engaged in numerous public and private transactions and activities that include seed capital, early stage financing, major and late stage strategic finance, restructuring and mergers/acquisitions ranging in size from \$1 million to \$700 million. His industry experience includes health care, technology, telecommunications, biotechnology, financial services, environmental, and airlines. He holds BS and MBA degrees with honors from Ohio State University, and was a fellow in the doctoral program at Northwestern University.

Simon L. Bernstein, Chairman Emeritus - Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over a billion in life premium sales. Mr. Bernstein's career in the life insurance industry began in 1965 when he became the top producer for Aetna Life and Casualty Company. He has remained in the top 5% of life insurance sales agencies since that time. Mr. Bernstein supplied the initial "angel" investment for **iviewit**.

Gerald R. Lewin, Director - Gerald Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. In 1981, Mr. Lewin is Senior Partner of Goldstein Lewin & Co., which currently is a leading 50 man southeastern accounting firm. Mr. Lewin specializes in business consulting and is highly knowledgeable in many areas of accounting, tax and financial planning. Mr. Lewin is a member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

Advisory Board

Kenneth Rubenstein –Mr. Rubenstein is a partner at Proskauer Rose LLP law firm and is the patent attorney for **iviewit**. He is a registered patent attorney before the U.S. Patent & Trademark Office. Ken counsels his clients with respect to the validity and infringement of competitors' patents, as well as prosecutes patent applications. For the past several years Ken has worked on the formation of a patent pool, for MPEG-2 technology, involving large consumer electronics and entertainment companies. Ken is

also a former member of the legal staff at Bell Laboratories. Ken received his law degree, cum laude, from New York Law School. and his Ph.D. in physics from the Massachusetts Institute of Technology where he also graduated with a B.S. Degree.

Alan J. Epstein – Mr. Epstein is a shareholder of the entertainment law firm Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C., which is based in Los Angeles. Alan's law practice consists of advising Internet companies on various issues pertaining to the entertainment industry, including the creation, licensing and acquisition of content, the introduction and negotiation of strategic partner relationships, and various other matters relating to the convergence of technology and content. Alan also advises his firm's numerous celebrity clients on the exploitation and protection of their name and likeness rights and content on the Internet, as well as merchandising, endorsement and sponsorship deals. Prior to entering the UCLA School of Law, Alan was a certified public accountant at Deloitte Haskins & Sells in Dallas, Texas.

Christopher C. Wheeler – Mr. Wheeler is a member of Proskauer Rose LLP's Corporate Department and as a partner in the Florida office has a versatile transactional practice. Chris has had extensive experience in real estate and corporate law, institutional lending and workouts, administrative law and industrial revenue bond financing. Moreover, he serves as a strategist and counselor to many clients in handling their other legal and business matters. Chris is well-versed in general corporate law as well as mergers and acquisitions and securities matters. He has guided companies from startup through initial private placements to public offerings. A graduate of Hamilton College and Cornell Law School, Chris was a member of the managing Board of Editor of the Cornell Law Review.

Raymond T. Hersh – Raymond T. Hersh is a private investment banker, also specializing in the strategic development of emerging companies. He has over thirty-five years of successful business and operating experience involving financial services, telecommunications, manufacturing and corporate strategic planning. Most recently, he was co-founder and President/CEO of a telecom start-up specializing in providing healthcare information. For over twenty years, he successively grew two Florida-based specialty manufacturing companies from combined revenues of about \$2.7 million to over \$19 million. Previously, Mr. Hersh spent nine years as an investment banker in New York City where his last position was as President of a member firm of the New York and American Stock Exchanges. Earlier, he spent five years as an Enforcement Attorney with the U. S. Securities and Exchange Commission in New York City where he exited as a Branch Chief. He is a member of the New Jersey and New York Bars.

Eric M. Chen - Mr. Chen is an honors graduate from Harvard University. He has spent much of his career in the field of investment banking where he has specialized in advising, financing and guiding the growth strategies of many health care companies. His areas of expertise include biotechnology, medical diagnostics, and new emerging drug technology and delivery systems. He has served as an analyst, Senior Vice President and Managing Director for several Wall Street firms including Furman Selz, Hambrecht & Quist, Fechtor Detwiler and Southeast Research Partners. Much of his

activities have focused upon early stage growth companies in both the public and private sectors. He has analyzed companies in a wide variety of industries, which include vision care, telecommunications, computer storage, software applications and data management. Mr. Chen is the President of Emerald Capital Partners, which he co-founded with Mr. Buchsbaum, since his departure from Southeast Research Partners in early 1999.

Legal and Accounting Counsel

Arthur Andersen LLP – Auditor - Arthur Andersen's vision is to be *the* partner for success in the New Economy. The firm helps clients find new ways to create, manage and measure value in the rapidly changing global economy. With world-class skills in assurance, tax, consulting and corporate finance, Arthur Andersen has more than 70,000 people in 83 countries that are united by a single worldwide operating structure that fosters inventiveness, knowledge sharing and a focus on client success. Since its beginning in 1913, Arthur Andersen has realized 86 years of uninterrupted growth, with 1999 revenues over \$7 billion. Arthur Andersen is a business unit of Andersen Worldwide.

Proskauer Rose LLP - one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients through the United States and around the world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.

Armstrong Hirsch Jackoway Tyerman & Wertheimer ^{P.C.} - one of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting in developing the business structure of iviewit and strategic relationships for

Foley & Lardner - one of the oldest and largest law firms in America. Founded in 1842, the firm now has more than 750 attorneys in 14 offices, following the February 1996 merger with Weissburg and Aronson, Inc. Foley & Lardner's over 100 highly skilled intellectual property attorneys constitute one of the largest and most sophisticated technology groups in a general-practice law firm in the United States. As one of the few large national law firms with a global intellectual property law group which is uniquely positioned to help iviewit capitalize on its foreign filings. The firm's broad-based representations in litigation, regulatory affairs and general business counseling is complemented by one of the world's most highly trained staffs, which includes 65 engineering and advanced technical degrees, including 12 Ph.D.'s. The list of clients using Foley & Lardner to fill their intellectual property legal needs ranges from small entrepreneurial start-up companies to large international and multinational corporations.

Foley & Lardner attorneys provide solutions and successfully serve the needs of clients around the world, including those situated in the United States, Canada, Latin America, the European Union, Eastern Europe, the Middle East, and the Pacific Rim.

William J. Dick - Special Counsel to the West Palm Beach office of Foley & Lardner. A member of the firm's Intellectual Property Department (Electronics Practice Group), Mr. Dick currently focuses on mentoring other members of the Electronics and Consumer Products Practice Groups in various IP related matters. He also conducts weekly classes in patent related matters for new associates. Mr. Dick joined Foley & Lardner after 26 years with IBM. He began as a patent attorney, and has handled all phases of patent, trademark and copyright duties, including litigation. Mr. Dick's most recent position with IBM was as Assistant General Counsel to IBM Asia Pacific. Mr. Dick is a graduate of the University of Virginia (B.M.E., 1956; L.L.B., 1962 changed to J.D., 1970)

Douglas Boehm - a partner in the Milwaukee office of Foley & Lardner and a member of the firm's Intellectual Property Department (Consumer & Industrial Products Practice Group and Health Information Technology Practice Group), Mr. Boehm practices in the areas of patent, trademark, copyright, and trade secret counseling; U.S. and foreign patent prosecution; and computer software and intellectual property licensing and technology transfers. Mr. Boehm's technical focus encompasses electrical and electronic engineering, including analog/digital/RF circuitry, radio telecommunications, lasers and fiber optics, and computer hardware and software. He has extensive experience in private industry, having worked as a development engineer and patent agent for Motorola, and as patent counsel for a subsidiary of Amoco Technology Company.

Steven C. Becker - an associate in the Milwaukee office of Foley & Lardner. A member of the firm's Intellectual Property Department (Electronics Practice Group), Mr. Becker practices in the areas of patent prosecution, counseling, and validity and product clearance studies. During his undergraduate years, he worked at Delco Electronics on design projects for new and existing automotive electronics technologies.

Do we need to refer him??
Not a partner.

Attachment A - Financial Projections



"iviewit Financials
Approved.xls"

If you would like a hard copy of the financials, please run the above Excel executable and print the financials. Once you open the excel workbook, click FILE then, select PRINT, go to the "Print What" section and select "Entire Workbook" and then select OK. In the event that you would like to review the financials on your screen follow the previous steps, except after selecting "Entire Workbook" select "Preview". If you have any problems or would like a hard copy sent please call our toll free number at 877-484-8444.

Wall Street Journal
Mondy, July 17, 2000

WHOM DO YOU TRUST? Often the choice comes down to pure intuition. But in cyberspace, many of the clues we draw on—a person's voice or body language, for instance—are absent. So the Internet's wizards are hard at work trying to computerize trust and turn it into a science. Using equations and databases, they're creating systems known as "reputation managers." Increasingly, these digital repositories of confidence will help you decide whom to do business with and whose recommendations you ought to accept.

Chances are you've already used a rudimentary reputation manager. They're fixtures at some big Web sites in the guise of ratings or feedback systems. On eBay, buyers and sellers rate each other, earning stars when they have enough positive reviews. Shop for a book on Amazon.com, and you'll find that critics get reviewed as well as books.

These systems are already proving their worth. But as Web users grow to depend on them, reputation managers deserve new scrutiny. Can they be fooled? Do they place too much emphasis on consensus? Is it truly possible to digitize trust?

ONE OF THE MOST SOPHISTICATED examples of a reputation manager is Epinions.com, a site where people can read and write reviews about all kinds of products and services. The site lets you search for reviews of everything from calculators to kayaks. As you read the writings, you tell the site which ones are helpful and which fellow members you trust. When you come back for more reviews, Epinions prioritizes them based on who has earned a good reputation with you. It works well, and using it is pretty simple.

Under the hood, though, the Epinions system is incredibly complex. When the site's computers decide which reviews to show you, they don't just look at the people you explicitly trust or distrust. They also take into account the preferences expressed by those people, and by the members whose people have chosen to trust, and so on. That requires a lot of complicated number-crunching.

For all that sophistication, the people who designed Epinions think there's a lot more work to be done. "It's incredibly hard to design," says Naval Ravikant, an Epinions founder and the chief strategy officer. He and his colleagues have al-



Peter Honah

Now, the 'Napsterization' of Movies

Studios Thought It Would Be Years Before Web Piracy Hit Hollywood. Wrong.

By LEE GOMES

Staff Reporter of THE WALL STREET JOURNAL

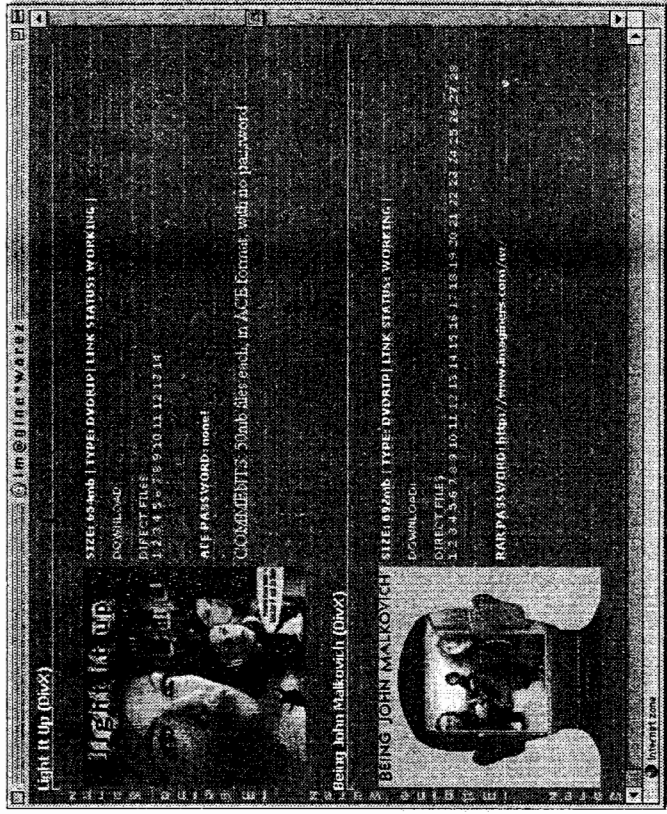
YOUNG SILICON VALLEY technician puts a shiny silver disk in a personal computer and clicks a play button. "You're not going to believe this," he says.

He has a point: What quickly appears on his PC's monitor, by many people's estimation, simply shouldn't be possible technologically.

It is the opening credits of "The Matrix," in a complete, high-quality reproduction that takes up the entire computer screen and comes with booming stereo sound. The remarkable thing is that the movie isn't being played from a high-capacity digital video disk, the sort rented from a video store, but from a regular compact disk, the sort that can be "burned" by any of the hundreds of thousands of homes and offices equipped with PCs and writable CD drives.

Hollywood, your nightmare is here. Thanks to two pieces of software—one "liberated" from Microsoft Corp. by a global underground of video buffs and computer hackers—high-quality digital movies, available on a variety of Web sites, can be stored in 10% to 20% of the space that had been required just six months ago. That means that PC users with high-speed DSL or cable-modem connections can download a full-length movie such as "The Matrix" in an hour or two from a spreading network of illicit Internet sites. The entire film can fit on a single CD or be stored on the computer's hard drive.

The new technology has been dubbed DivX, but is unrelated to the abandoned alternative to DVDs that bore the same name. The movie industry assumed it would be years before studios faced the sort of digital piracy that is giving the music industry users through sites like Napster. That's because, in contrast to MP3 music files, DVD movie files



DivX on the Web

A growing number of Web sites, some of which are listed below, discuss DivX technology, have DivX-related software available and offer movie trailers for viewing.

An introductory site for DivX
www.mydivx.com/

Home of DivX creator Gej
divx.ctw.cc/

More advanced, technically minded sites
go.to/doom9/
www.fm4.org/
www.digital-digest.com/divx/
windows.divx.st/

Other sites provide full-length copies of movies for downloading. These sites tend to change their Web addresses frequently.

is nearly as good as a DVD in quality. That's a sharp contrast to an earlier generation of grainy pirated movies available on the Net, some of which were created by camcorder-equipped movie pirates who sneaked into theaters. "Right now, DivX is where MP3s were when they first came out. It took a while for people to catch on, but it's gaining fast," says Jan Devos, who runs a Web site that is dedicated to DivX.
Please Turn to Page B7, Column 1

BOOM TOWN ♦ By Kara Swisher

Filtering Out Noise in the Battle Over Free Digital Music

WE ALL KNOW, of course, how it's going to end. Sometime in the

Napster. Their arguments have been pretty straightforward, if whiny, and echo ones

nas especially raised hackles among Internet service providers. The FBI is attempting to install Carnivore on the networks of ISPs as part of specific criminal investigations of online users. But ISPs say they have no way of knowing whether Carnivore is limiting the scope of its surveillance to the cases at hand.

As a result, critics of Carnivore have called on the government to reveal the

music as possible, and we are willing to get it without paying if no other alternatives are available.

Does everyone involved hear that message loud and clear?

Journal Link: For a searchable archive of Boom Town articles by Kara Swisher, visit the Boom Town Center at WSJ.com.

websites, the lesser-known of our crime are enjoying sticking it to the record companies which have largely ignored real musicians while lavishing attention on Britney Spears.

What they really mean: No matter who we are, we realize the hubbub over Napster can help us break free from our complex and often onerous relationships with record companies. The ability of

fare via a vast subscription system spend a lot of time meeting with record company executives and artists assuring them that they want to protect their copyrights. AOL even went so far as to deny the exciting Gnutella swapping program that was born within its own walls to assuage companies like its merger-partner-to-be Time Warner.

Web Piracy Now Hits Hollywood

Continued From Page B1
voted to the new video software but doesn't offer pirated material.

The first of the two pieces of software that make DivX possible is a computer program called DeCSS, which breaks the encryption that is supposed to prevent DVD files from being copied onto a PC in the first place. Several big movie studios have gone to court to try to block the spread of the DeCSS code, although it is readily available on Internet search engines such as that of Yahoo! Inc.

A DVD typically stores close to five gigabytes of data, and many movies are easily that long. Making a high-quality copy at smaller sizes—close to the 650-megabyte capacity of conventional CDs—is the major breakthrough of the new DivX format. That's where the Microsoft software comes in: It compresses digital video files down to a more manageable size. The program is Microsoft's version of MPEG-4, a standard video-compression system used in the computer industry.

Microsoft released the software last year, intending it only for software developers. But Jerome Rota, a 27-year-old French film buff and video engineer who goes by the Internet nickname of "Gej," worked with a German hacker named "Max Morice" to rewrite the software so that anyone can use it to create compact DivX movies. He also coined the DivX name, which is officially written as DivX. (In a mocking reference to the earlier DivX, which had stressed its anti-piracy features.

Microsoft says it will go after anyone it catches pushing the DivX software, but it has yet to take action. Anyway, that may soon be a moot point: Mr. Rota is busily working on a completely legal implementation of the DivX idea that won't use Microsoft technology at all. In fact, he was in San Diego this past weekend, meeting with American technology experts and financiers who are putting together a company to pursue digital video—one of several groups doing so. The company's working name is ProjectMayo.com.

"DivX was just the beginning," Mr. Rota said in a poolside interview. He sees a multitude of completely legal uses for the technology, ranging from Hollywood

studios distributing movie trailers to newbies sending wedding videos to friends. Right now, though, what is generating all the buzz is DivX as a handy way to pirate movies. The Internet chat rooms known as IRC channels are full of people offering DivX movies for trading; nearly all popular movies available in DVD form are listed. Some Web sites also have full DivX movies available for downloading, although they tend not to be operational very long and their addresses are usually only passed around among insiders. And software-trading systems like Gnutella and Scour list growing numbers of DivX titles.

Many DivX sites don't offer pirated movies and appear to be operating legally. They keep people up to date about developments of the technology, post DivX movie trailers and offer tutorials in playing, as well as making DivX files.

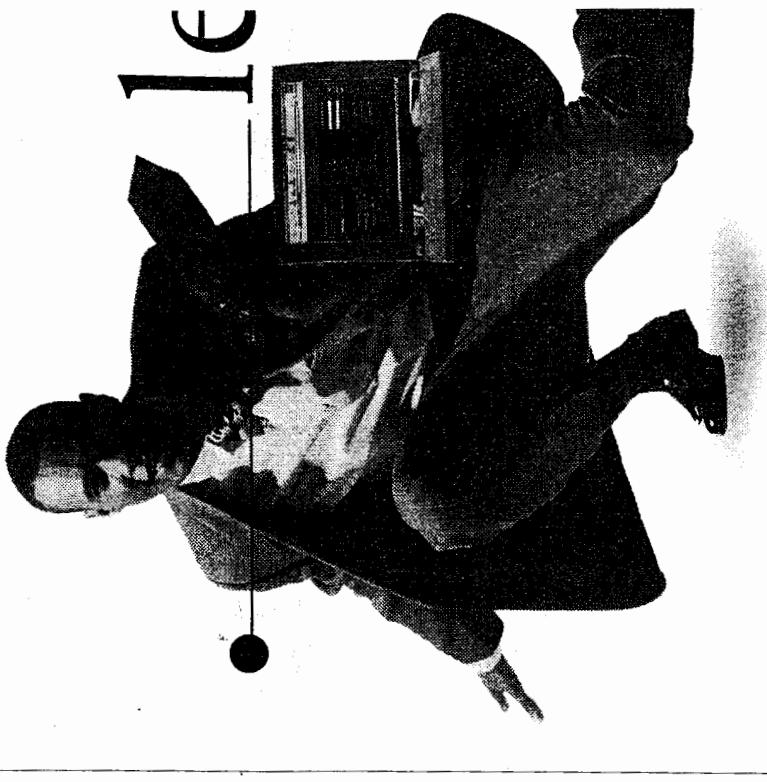
The tutorials are crucial. Most PC owners lack the two pieces of software needed to play a DivX movie and must download them. To create a DivX movie from a DVD is, for the moment at least, a complex and error-prone process that can take six or eight hours. (Making a music CD, by comparison, is a one-button operation that takes a few minutes.)

Even with fast Internet connections, downloading a DivX movie is still more of an ordeal than most computer users would want to put up with, especially since movies can be rented for a few dollars. But MP3s were similarly complicated in the early days. And computers and networks continue to increase in capability at remarkable rates, as does video-compression software. Mr. Rota predicted the first version of his company's software, due out in a few months, would offer better video quality, require less storage space and be simpler to use than the current DivX.

"[The technology] is moving extremely fast," says Jack Valenti, chief executive of the Motion Picture Association of America, the Hollywood trade group. He says he is watching the emerging DivX scene closely: "I worry about the possibility that what happened to music will soon be happening to movies."

music as possible, and we are willing to get it without paying if no other alternatives are available.
Does everyone involved hear that message loud and clear?
Journal Link: For a searchable archive of Boom Town articles by Kara Swisher, visit the Boom Town Center at WSJ.com.

Lau



New
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AJE Cant.
7/20/00

The sights and sounds of the Internet

Strategic Business Plan

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and its affiliates
(collectively)

Confidentiality Statement

This business plan and the exhibits hereto (collectively, the "Plan") have been submitted on a confidential basis for use by a limited number of sophisticated investors or acquirers (the "Investor(s)") solely for, and should be used only in connection with, an Investor's consideration of an investment in **iviewit, Inc.** (the "Company"). Its use for any other purpose is not authorized. Any reproduction or distribution of the Plan, or re-transmittal of its contents, in whole or in part, without the prior written consent of the Company is prohibited.

This Plan contains certain information of a highly confidential nature, including projections by the Company's management of the Company's performance and other material of a forward-looking nature. The receipt of this Plan constitutes an agreement on the part of the recipient hereof to maintain the confidentiality of the information contained herein or any additional information subsequently delivered in connection herewith. Investors who accept this Plan or become aware of the information contained herein must understand and comply with the extensive restrictions imposed by Federal and State securities laws upon their ability to disclose information contained herein to others or to participate in or otherwise effect or facilitate any transaction relating to any securities of the Company. Investors who cannot comply fully with such restrictions should not review the information contained herein and should immediately return this Plan to the Company.

Executive Summary

Introduction

iviewit.com (herein after "iviewit" or "The Company") is a developer and provider of several breakthrough proprietary platform audio and visual technologies, supporting the infrastructure of the Internet. The Company has developed and launched three breakthrough technologies – video/audio streaming and image enhancement -- that enable (1) full-screen, full-motion video including CD quality audio; (2) full screen high definition pictures that have "scan, pan and zoom" capabilities with a zoom technology never before seen; and (3) high fidelity audio streams at low bandwidths. These technologies allow, for the first time, a rich and full Internet experience and virtual environment any time a b2c (Business to Consumer) or b2b (Business to Business) Internet application can be enhanced by or requires a video, audio or photographic presentation. By virtue of its technical backbone technologies, iviewit is leading the advancement of multi-media applications for websites both in streaming video/audio and imaging following the first demonstration of its proprietary technologies in 1998. Since that time, iviewit has refined its several (Patent Pending) processes to transform these technologies into consistently deliverable and commercially accepted Internet solutions.

Company

Founded in 1999, iviewit has achieved its first \$3 million in funding which has enabled it to develop, test and commercially launch its visual Internet infrastructure technologies. Initial, key management is in place, and the Company has successfully passed through its technical validation phase to ensure that its technology is fully reproducible and reliable. iviewit then identified several market sectors to emphasize, and it has targeted key early stage customers in order to gain recognition and commercial acceptance. The company has formed strong strategic alliances and partners in both the Internet and Multimedia spaces.

iviewit is engaged in the application of these exciting and new visual and audio technologies for the use by content providers of all types and consumers to make their experience over the Internet dynamic and real. iviewit's business model is to:

- license its proprietary video/audio streaming and imaging technologies for the processing, encoding, managing and specialized web-hosting of source material and content where multi-media Internet distribution is required
- develop image and branding for its technology backbone capabilities
- identify and develop expanded vertical sector marketing and new applications

, after completing its development and testing phase,

- expand its scalable processing capabilities on a production-controlled basis
- create a service bureau to compliment the licensing model and provide customers with image and video processing, hosting and serving services
- launch broad-based promotion and marketing campaigns through advertising, trade shows and key customer references
- confirm **iviewit** as the industry Gold Standard in supplying leading edge, multi-media visual and audio streaming and imaging infrastructure and tools for the Internet

Earlier this year secured a number of

~~Early in 2000, the Company commercialized, and, as of May 2000, it already has cultivated its first customers such as Hyatt Hotels, Hollywood.com, Broadway.com, Gear Magazine and Ellen DeGeneres. The combined, annualized revenue of these initial customers is estimated to reach approximately \$4.0 million once they are implemented and ramped to present customer expectations. As iviewit secures its next round of funding, the Company will aggressively accelerate the implementation of its product licensing and service plan.~~

\$4.0M/year seems way low. Leave out here.

, among many others.

Proprietary Technologies

iviewit has developed three complementary technologies to enhance videos, audio and images delivered over the Internet:

1. State-of-the-art, proprietary technologies, enabling full motion/full screen/full frame rate, high quality, distortion-free streaming video and audio to be viewed by any internet video player at amazingly low bandwidths, with extraordinary quality and reduced file sizes. Broadband and modem users can see streaming video with virtually no download time required.
2. State-of-the-art, proprietary technologies, enabling CD quality audio that can be listened to using any internet video player at amazingly low bandwidths, with extraordinary high fidelity sound quality and reduced file sizes.
3. A digital imaging technology creating the opportunity for full screen still images and panoramas that can be zoomed and manipulated, distortion-free, in a virtual environment with almost unlimited magnification.

Changing the Internet Landscape with iviewit Technologies

Video and Audio Streaming

Until now, the delivery of video content over the Internet was substantially text-based, and attempts to transmit video content over the Internet have been marred by long downloads, small image size, reduced frame rates and poor quality. Reducing the bandwidth time it takes to transmit files usually has meant delivering a picture that appears herky-jerky and out of sync with the sound. Providing video that is comparable with television (full motion/full screen/full frame rates), on the other hand, typically has been impossible because of the large file sizes resulting in the need for over 2 T1 lines of bandwidth to watch a single video. Trying to squeeze television-quality video files into sizes that can be transmitted on the Internet proved elusive accompanied by severe limitations, such as the requirement for costly and often unavailable bandwidth. State of the art video even for high bandwidth users (ISDN, DSL, Cable, T1 and Fiber) remained framey and out of sync.

As recently as December 1999, a leading Internet news publication, The Industry Standard indicated that the Internet speed required for Television-like quality video would not be possible until the 700+ Kbps range was reached and that “nowhere in the tech world have there been more unfulfilled promises than in the realm of next-generation television.” **iviewit’s** video technologies have bridged the gap by enabling distortion-free, TV quality video frame rates with CD quality audio in the 150+ Kbps range, considered optimal for delivering broadcasts over the Internet. **iviewit’s** video technologies also greatly enhance the modem users experience, providing a far richer video than previously thought possible.

Meanwhile, there is enormous content that has been created for television that is ready for conversion to an Internet application, and the proliferation of new bandwidth capacity via DSL, cable and satellite is finally providing an environment whereby **iviewit’s** breakthrough technologies can easily be adopted and utilized. **iviewit** believes that there is virtually unlimited growth opportunity for its proprietary visual Internet backbone technologies. As a matter of fact, Bill Gates recently stated that “streaming media is the fastest moving part of the whole digital world.”

Imaging

iviewit’s imaging process allows computer users to drive into single or panoramic images in a brand new “pan, scan & zoom” environment seamlessly magnifying on any portion of the image at zoom levels never before imagined (20:1+). This breakthrough technology will have far reaching impact as it applies to any photograph that the user wants to enhance. Applications for **iviewit’s** technologies are endless.

Benefits of iviewit Technologies

The principal benefits of **iviewit’s** enabling Internet infrastructure technologies follow:

- the technologies significantly enhance the image quality of any video content streamed over the Internet regardless of which media and sound player is utilized

- the technologies allow high quality video streaming in the 150+Kbps ranges, providing better product and price performance for the product delivered and a tremendously improved result at the 28-150Kbps ranges
- the image technologies enhance the ability to view photographic images on the Internet by providing incredible “scan, pan & zoom” enriching the end user experience
- improved audio stream capabilities at both high and low bandwidths

Management

mentioned in next IP

iviewit has established a strong, experienced key management team, supported by a Board of Directors and ~~Advisory Board~~ representing broad management and industry experience, including developing technologies, dealing with patent and business legal issues, financing start-up companies and preparing companies for IPOs. Searches are currently under way to complete the executive management team by the addition of a CEO, a CFO and a Sr. V.P. Marketing and Sales.

iviewit also has an Advisory Board, Legal Counsel and Business Consultants who bring an extensive knowledge base, business connections and experience to the development of iviewit.

Market Penetration Strategy & Launch

iviewit has secured initial contract agreements with Hyatt Hotel & Resorts, Hollywood.com, Broadway.com, @american enterprise.com, JM Lexus, Gear Magazine (Guccione Media), Great Expectations Dating Service and Kids Camps. In addition, iviewit is currently negotiating with major corporations such as Time Warner, Universal Studios, MGM, MTV, 3Com, Playboy, and CBS Sportsline.com. The response to the technologies and licensing cost has been positive. While iviewit’s enabling technologies are applicable across a wide spectrum of Business to Business (b2b) and Business to Consumer (b2c) Internet sites, iviewit will concentrate its early initiatives in the following areas: Advertising, Entertainment, Health Care, Hotel and Resorts, Luxury Items, Executive Search, Sports, Modeling, and Dating Services.

really? What about trade shows? conventions?

iviewit plans to highlight its video streaming enabling technologies with high profile websites and events. Currently the Company has established a relationship with Ellen DeGeneres, Tidal 4, Z.Com, Hollywood.com and Broadway.com. These accounts currently provide significant branding of the iviewit process with watermarking, logos and personal testimonials.

Intellectual Property

iviewit has protected its enabling technologies by filing five patent pending applications in both the United States and abroad for its video streaming and imaging capabilities, covering a wide array of enabling technologies. The Company also has an additional five remaining Provisional Patent Pending applications that will be converted to patent pending status within the allowable period.

These technologies carry broad claims, where patent searching on several key components has revealed no apparent prior art or conflicting technologies. This gives **iviewit** not only strategic advantage and potential exclusivity in this space, but also the opportunity to license its proprietary technologies on a current and ongoing basis.

iviewit has adopted a two-pronged approach to building an extensive patent portfolio: (1) **iviewit** plans to continue aggressively developing and seeking patent protection for its own proprietary technologies; and (2) **iviewit** will further seek to improve upon existing technologies as these technologies come to the market.

iviewit believes that the processes underlying these inventions are unique and novel, and it has retained Foley & Lardner, one of the most reputable patent law firms in the United States to shepherd its patent development and procurement. In addition, **iviewit** has retained Kenneth Rubenstein of Proskauer Rose LLP to oversee its entire patent portfolio; Mr. Rubenstein is the head of the MPEG-2 patent pool.

Financial Summary and Investment Opportunity

iviewit has raised ~~an initial~~ \$3 million to date, including venture funding received in September 1999 from Huizenga Holdings, Inc./Investech Holdings LLC. Huizenga Holdings is controlled by **W** Wayne Huizenga, a successful industrialist best known for starting Waste Management, Blockbuster Video, Auto Nation, Boca Resorts and the owner of major sports teams such as the Miami Dolphins football team, the Florida Marlins baseball team and the Florida Panthers hockey team.

Second round funding has been received from Crossbow Ventures/Alpine, a significant private investment fund, located in Palm Beach and Geneva. Crossbow's management includes the prior senior infrastructure of Merrill Lynch Ventures. CrossBow's industry focus corresponds to the tremendous growth that Internet-related companies are experiencing. Their well-balanced portfolio includes companies in technology, telecommunications, healthcare and environmental services sectors.

iviewit is presently seeking two investment tranches. The first and most imminent will be a \$2.0 million equity bridge, to be completed shortly leading to a significant capital raise of up to \$20 million to be achieved by the third calendar quarter of 2000.

Potential exit strategies for **iviewit** investors may include any one, or a combination, of the following opportunities: IPO, partner with a major company or acquisition.

Strategic Business Plan

Company

iviewit, Inc. located in Boca Raton, Florida, was formed in July of 1999 under the laws of the state of Delaware. **iviewit** was formed to research, develop, license and sell its enabling proprietary Internet based visualization products and services to the e-commerce market through it's wholly owned operating subsidiary **iviewit.com, LLC**. In December of 1999 the Board of Directors authorized the conversion of **iviewit, Inc.** and **iviewit.com, LLC** into "C" corporations. Under the new corporate status they became **iviewit Holdings, Inc.** and **iviewit.com, Inc.** respectively and continue to be Delaware corporations.

Clarify which companies are doing what.

Over the past year, **iviewit** has confirmed the efficacy and reliability of its technologies for commercial exploitation, initiated digital imaging production, established a demonstration web site, developed initial key management infrastructure and hired an initial sales staff. The Company publicly launched its platform technologies early in 2000, and, as of May 2000, has initial high profile customers that have confirmed the commercial value of **iviewit's** technologies. **iviewit** is presently seeking additional financing to support further commercialization and realize the full potential of its products and technologies.

Product Applications

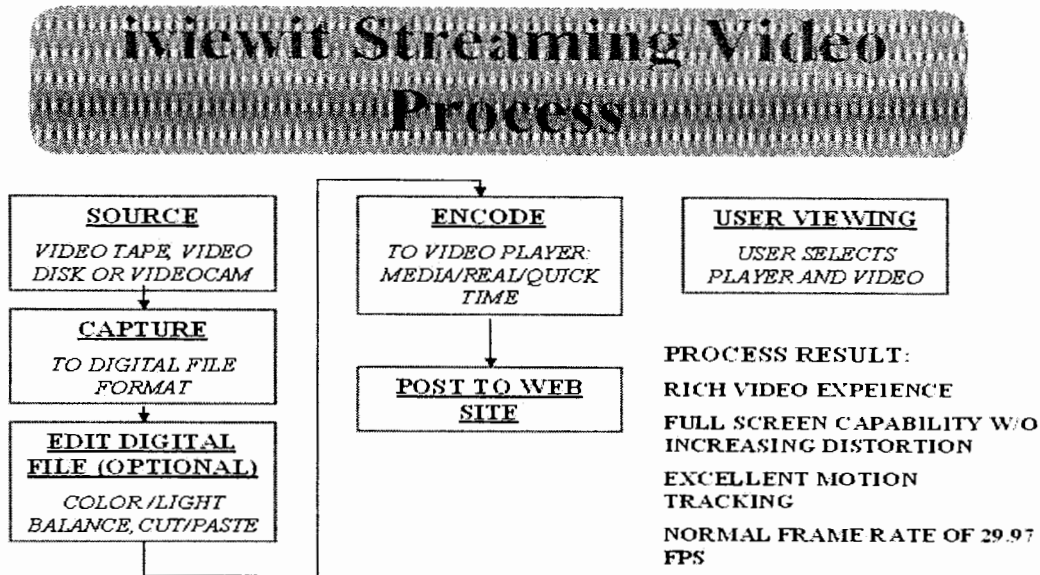
and work with

, means that

iviewit's impressive visual media products are the result of several years of development focused on the entire process of image/video delivery over the Internet. Care has been taken to be platform agnostic to preserve the broadest possible range of applications and retain the highest viewing audience. **iviewit's** suite of video and imaging technology processes work across all industry platforms, therefore, **iviewit's** video process will enhance Microsoft's Media Player, Apple Quicktime and Real Networks players. The result is industry leadership products without requiring special downloads or equipment. A recent survey indicated that over 90% of site visitors simply "move on" when required to download special software to view pages content. **iviewit** processes are proprietary and protected as Trade Secrets and Patent Pending applications filed with the U.S. and International patent offices. While video streaming and imaging are treated separately, it should be noted that they are complementary both from a process point of view and from a customer perspective. Many potential markets have both requirements such as the entertainment industry, resort and hotel industry and the health care industry. **iviewit** views the combination of these products as a suite to be an integral part of its sales portfolio.

which do not require

Video Streaming Products



6/13/2000

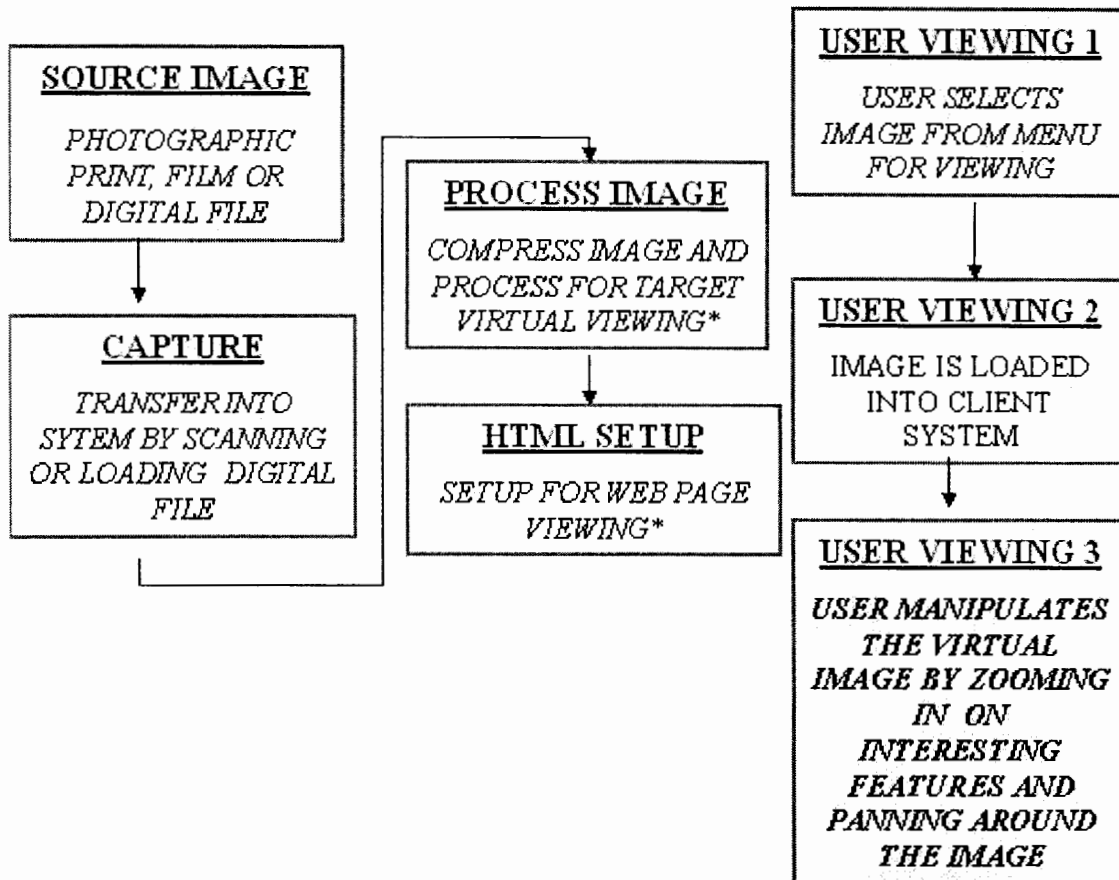
IVIEWIT CONFIDENTIAL

Streaming video is the most exciting form of content distribution over the Internet and has challenged the industry since its inception several years ago. Current processing techniques do not provide solutions for clear, full TV frame rate, full motion, full screen streaming video at 150+ Kbps. **iviewit** has developed encoding solutions that do provide for full motion, full frame rate, full screen streaming video at speeds ranging from 56-150+ Kbps. These competitive advantages are at the core of **iviewit's** market opportunity.

Capturing high action and motion in Internet video has been a particular challenge because the image refresh process tends to produce highly distorted pictures. **iviewit** has succeeded in producing near TV quality video over broadband networks and has significantly improved modem results. These results are obtained while minimizing the bandwidth and file sizes required for streaming the video event, a significant economic consideration.

Internet ready streaming digital files are produced from virtually any source creating NTSC (US) compatible or IEEE 1394 firewire interfaces. Other modality such as PAL or SECAM can be accommodated. The output digital files are Microsoft Media Player, Apple Quicktime or RealNetworks RealPlayer compatible. Multiple files are produced for both modem and broadband use. **iviewit's** processing times range from an astonishingly low 3 to 6 times the playtime of the video. The proprietary process is extendable to include video acquisition; even though this phase is not a pre-requisite, improvement in final video quality is attainable by using **iviewit's** total video process.

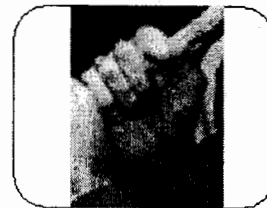
iviewit Virtual Imaging Process



Iviewit's process captures the detail of the original image and preserves it through the entire process to delivery, over the internet, to the end user. The challenge is to preserve the image quality during compression (up to 100:1) while preserving all the detail for zooming (magnification) without distortion.

* IVIEWIT PROPRIETARY PROCESS

iviewit Virtual Imaging Process



Above left is an example of an original picture. The center image portrays the view on a PC monitor on the internet receiving the picture. Above right the user has zoomed in on the hand position of the batter. The picture has not lost any clarity because of the zooming. To the right the user has panned across the picture to view the batter's head without having to re-trace steps back to the full image.



The process to provide perfect clarity while maintaining the ability to zoom and pan is the heart of iviewit's image patent applications.

7/3/2000

IVIEWIT CONFIDENTIAL

iviewit offers a wide range of “over the web” high quality, full screen imaging technologies. Images processed by **iviewit** can be viewed with extraordinary zoom and within panoramic environments of up to 360 degrees. Images produced by **iviewit's** proprietary process are identical in quality regardless of the end-user's Internet connection speed. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. Output file sizes typically range from 30KB to 400KB for a full 360-degree panorama. . Source material may be conventional emulsion type film or digital and the process requires no special costly camera equipment compared to similar web imaging. Special photographic techniques are employed to ensure the final quality of the process. Unlike conventional web-ready images that become severely distorted after magnification attempts of just 1-2 times, **iviewit** processed images are especially resistant to pixel distortion even when zooming in to obtain screen magnification levels of 20:1+. **Real 3D®, Inc.** engineering teams have reviewed the imaging process and results, and the comment from their review was “superb”, “cool” and “elegant”.

These are the types of digital images that **iviewit** can create with its “scan, pan and zoom” technologies:

- **Single shot** - A single photo frame. Used for simple flat scenes or objects with depth imaging

- **Single shot “Pan, Scan and Zoom”** – A single photo frame with the ability to zoom into the picture for magnifications of up to 20X
- **Quarter “Scan, Pan and Zoom”** - Typically 3 photo frames stitched together to provide a wide perspective and up to a 90 degree camera sweep angle
- **Half “Scan, Pan and Zoom”** - Typically 6 photo frames stitched together to provide up to a 180-degree panoramic camera sweep angle
- **Three quarter “Scan, Pan and Zoom”** - Typically 10 photo frames stitched together to provide up to a 270-degree panoramic camera sweep angle
- **Full “Scan, Pan and Zoom”** - Typically 13 - 16 photo frames stitched together to provide up to a 360-degree panoramic camera sweep angle

Revenue Strategies for Video and Imaging Products (Licensing and/or Service Models)

iviewit intends to create a profitable, recurring revenue base by licensing its platform technologies or performing the following services for customers:

- ***Technology Licensing to Parallel Markets***
- ***Site Licensing for the Distribution of Product Processed by iviewit*** - Each site distributing **iviewit** visual media product must license the technologies. The licensing fee will be collected up front as an annual fee and there may be additional royalties due within each annual licensing period for expanded use of the product.
- ***Image and Video Processing*** - There is an option between basic processing and edited content processing for a higher quality output. Priority and standard time processing is provided. Priority processing guarantees a next day delivery via file transfer protocol to the customer or posted to the **iviewit** website. Standard delivery is within 5 working days.
- ***Web Hosting of Image and Video Content, Linked to a Client’s Site*** - This service will be for content owners who do not have the server capacity to store or stream their content and will not be applicable to all clients. This is an extension of the current web site. Seamless linking is a well-established Internet technique and has been validated by **iviewit** testing with prospective customers. Since this is not a core part of its business model, **iviewit** is investigating the option of hosting services through strategic alliances.
- ***Photographic or Video Recording Services*** - **iviewit** has a national arrangement retaining the services of a large number of professional photographers and video producers in order to handle customer requirements.
- ***Web Site Creation and Hosting*** - Professional designer support is available through **iviewit’s** subcontract with **Real 3D®, Inc.** and other web site specialists.

Future Product Developments

iviewit’s goal is to maintain a leadership role in visual technologies and continued research and development will be deployed to this end. **iviewit’s** product output will stress user friendliness, superior picture quality and effective presentation for the

experience by the end user. New markets will include hardware and software applications that will embrace these platform technologies.

Extensions of the current technologies are planned to provide similar improvements in videoconferencing. Early testing has validated the feasibility of these extensions and funding will provide the resource necessary to complete the development work. It is estimated that products could be ready to market within 6–9 months from funding. Also, a TV interface adapter, which allows a PC monitor output to be connected to a TV set, is currently available. Using a TV this way further enhances the quality of the video since a TV set is optimized for displaying video images. This has paved the way for a new era in Pay-Per-View distribution across the Internet.

Industry Analysis

Broadband Industry

The transmission of data intensive content over the Internet has been limited due to both technological and bandwidth constraints. However, the increasing availability of improved delivery systems, such as digital cable modems, T-1 lines, satellite delivery

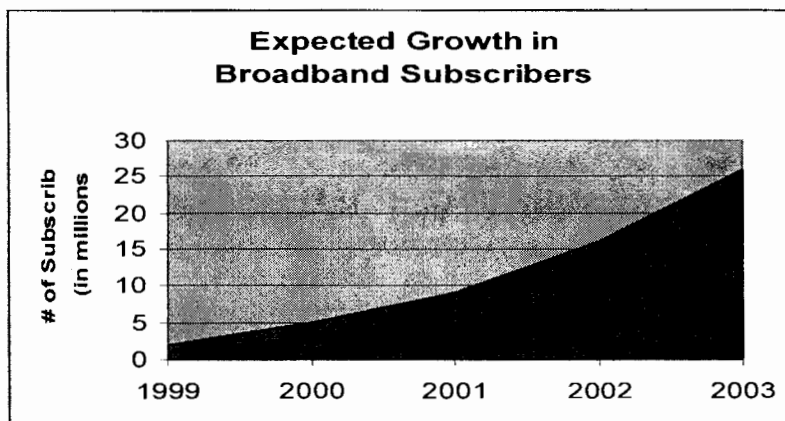


Chart 1.0 -- Forrester Research and Broadband Intelligence

systems and DSL networks are enabling the use of more feature-rich multimedia content. Even at these higher bandwidth speeds video quality remained poor until **iviewit** developed processes that allowed users at these speeds TV quality video streaming. These broadband systems typically allow sustained

data transfer to the user of at least 256 kilobits per second, or approximately 5 times the access speed of the fastest standard narrowband modems.

US cable modem subscribers are expected to increase to 3.3 million in 2000 (up from 1.6 million in 1999). DSL customers (serviced by phone companies) will nearly triple to 1.4 million in 2000 from 500,000 in 1999.¹ And the total number of broadband subscribers by the end of Year 2002 and 2003 is expected to be 16 million and 26 million, respectively.²

¹ Broadband Intelligence July 1999

² Forrester Research

The broadband industry is drawing billions of dollars in capital investments to develop the necessary infrastructure for broadband content and delivery. The cable companies are massively marketing this existing user base to include broadband access. Similarly, the telephone companies are upgrading their lines to offer DSL access. In addition, major hardware manufacturing companies, application developers and content providers are racing to be the de facto standard for broadband delivery.

Streaming Media Industry

Multimedia streaming technology is bringing new levels of versatility, quality and simplicity to the creation and distribution of multimedia content over the Web. One measure of the growth in use of streaming media is the number of registered users posted by RealNetworks, a company that develops software used by broadcasters to stream multimedia content over the Internet. The first RealPlayer was released in 1995, and to date, over 80 million unique users have been registered. The RealPlayer download rate now exceeds 175,000 per day, an increase of more than 270% since the beginning of 1997.

The emergence of rich multimedia capabilities, such as streaming audio and video, will continue to enhance the effectiveness of the Web as a mass communications medium and Intranets as a means to improve corporate communications. Content delivered through traditional media, such as television and radio, will increasingly be augmented by delivery over the Internet.

Digital Imaging Industry

Companies are rapidly adopting the use of digital imaging to effectively promote their products on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites; however, most of the images remain flat two-dimensional images offering a limited field of view. Technological innovations that enhance realism and interactivity and contribute to a viewer's retention to that web site will facilitate the success of e-commerce by leading to increased sales and advertising rates. Specifically, immersive imaging, or the ability to enjoy the viewing perspective of being inside the image, is becoming increasingly popular with many web sites and webmasters. However, image creation with many of the existing immersive technologies is labor intensive, produces poor visual quality and requires proprietary hardware and software. As a result, market acceptance of these technologies has been limited. Until **iviewit's** digital imaging process the users ability to zoom into a picture or virtual reality environment was limited due to pixel distortion.

In order for widespread adoption of immersive imaging by businesses and consumers to occur, new immersive technologies must compete with **iviewit** standards such as:

- Ease of creating and viewing an image
- Ease of distributing and sharing the image

- “Scan, Pan and Zoom” Capabilities
- Cost effectiveness
- Use of standardized technology
- Platform independence

Market Opportunity

Initial Marketing Strategy

iviewit has elected a two-pronged strategy to initially market its technologies. The first stage is to target high profile intellectual property owners and distributors, as clients, to encode their images and videos then watermark those images with **iviewit's** logo. The second stage will capitalize on the many opportunities to co-brand with world-renowned stars and clients interested in bringing marquee events to the Internet medium. As a prime example, Ellen DeGeneres has produced a three-minute video endorsing **iviewit** as the premiere video streaming company, and Hollywood.com has allowed for video clips of movies to be ~~traded~~ ^{streamed} with an **iviewit** watermark and logo branding.

The Company has developed a marketing plan and detailed budget to ~~attach~~ ^{develop} key business segments. The elements of that plan include: (i) a national print media campaign targeting corporate decision makers for encoding images for commercial websites; (ii) a national b2b Public Relations campaign designed to build awareness and demand for the **iviewit.com** imaging technologies targeting the streaming media and digital still imaging markets; (iii) a trade show plan specifying the number of shows ^{the company must attend} to promote its imaging technologies and an accompanying plan detailing how the company will effectively present its technologies at those shows; (iv) sales collateral materials to support the sales force; (v) a plan for branding exclusive internet video events ^{to highlight the Company's technologies and turbo-charge its public relations efforts;} and (vi) an execution strategy to upgrade **iviewit's** web site ^{to promote its technologies and support its customers.}

The company has budgeted several million dollars in marketing expenditures to undertake these marketing activities. **iviewit** has initiated a search for an advertising/new media agency and a public relations agency with demonstrated competence in the b2b technology space to assist the company in developing and implementing the marketing plan. The Company currently retains a leading Publicist in the entertainment industry.

Strategic Alliances

Real 3D®, Inc.

iviewit has established a strategic partnership with **Real 3D®, Inc.**, the premier supplier of 3D graphics technology in the world and holder of more than 40 patents in 3D visualization technology. **Intel has recently acquired Real 3D®, Inc.** **Real 3D®, Inc.** is providing hosting, serving and technology enhancement services to **iviewit**. **Real 3D®, Inc.** has participated in the technology evaluation phase of **iviewit's** proprietary Imaging and Video Streaming products, and they have stated: **“Real 3D®, Inc. has found iviewit's web-based products to offer an extraordinary high-resolution panoramic view capability that can have many uses in the e-commerce arena.”**

Medical OnLine Inc. (Mediol.com)

iviewit has established a strategic relationship with Medical Online (Mediol.com), which is a leading Boston based internet service and data provider offering a unique search engine that provides easy access to clinical and diagnostic data for doctors, hospitals, insurers and patients worldwide. The purpose of this relationship is to facilitate the handling and delivery of healthcare information with high quality imaging and streaming video capabilities. **iviewit's** technology was chosen by Medical Online to provide a more effective and timely delivery of imaging and healthcare information including the possible addition of MRI's, CT scans and other pertinent data for physicians and leading hospitals. This strategic alliance is expected to provide a more effective means of medical diagnostic evaluations for the treatment of patients. Mediol's mission is to give patients, physicians, and hospitals easy access to an extensive online database of clinical diagnostic data compiled from a number of the world's preeminent medical institutions. With the help of the Medical OnLine search engine, users have the luxury of matching current diagnostic images and graphs with similar or identical archival records, complete with clinical information on each case. Using this data, doctors accomplish better clinical evaluations and create more effective treatment therapies regarding a patient's condition while patients acquire the information they need to take control of their healthcare.

DSI, Inc.

Most recently, **iviewit** has signed an agreement with **DSI, Inc.**, a global provider of video and photography services to provide corporate clients turnkey production, and **iviewit** image & video processing for the Internet. **DSI** was formerly "ZipVideo" and has a network of photographers and video professionals covering every zip code in the U.S. and Canada as well as other international countries.

DSI recently contracted with **Dovebid** (one of the largest b2b auction websites) to be the sole provider of video and photography services to **Dovebid's** corporate clients. **DSI** and **iviewit** will co-market services to provide full-service production and processing as well as **iviewit** processing solutions for **Dovebid** clients.

DoveBid, Inc. is a leading business-to-business on-line marketplace for capital assets (currently, 19 industrial categories) featuring Webcast auctions and value-added services. With millions of dollars of business assets available for sale, a regular schedule of

Asain, are these really strategic partners or just customers?

Webcast auctions, and an extensive base of large corporate customers, DoveBid is creating a liquid, global market for capital assets.

DoveBid has conducted over 3,000 *industry-specific* auctions throughout the world selling over 10,000,000 individual lots. Buyers from Santa Clara to Singapore have responded by purchasing over \$5 billion in assets.

Markets for Video Streaming and Digital Imaging

Streaming media is now the most widely used application, after browsers and online programs like AOL, on the Internet... and it is growing exponentially. Microsoft's Media Player, RealNetworks player and Apple's Quick-Time player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, *on demand*.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies mentioned above. **iviewit's** suite of technologies will positively affect and benefit all of these parties.

- **End Consumers for Video and Audio Streaming**– For consumers who have a broadband “pipe” in their homes, streaming video is the “killer application.” The promise of rich visual content defines the reason for paying between \$40 - \$50 per month for the increased bandwidth. It means that consumers can *see* the entertainment, news, product commercials, infomercials and education videos they want - at near TV quality. That promise will be maximized by the proliferation of content delivered through and with **iviewit**. The companies responsible for providing the infrastructure for broadband recognize the importance of promoting enabling technologies and driving media-rich content to the web. Their paradigm has shifted to include content creation as a significant element of their overall strategy. Greater availability of quality content on the web will increase demand for the pipes necessary to view it.
- **Business to Business (b2b) E-Commerce Sites for Video and Audio Streaming** - For b2b e-commerce sites, **iviewit's** technologies will provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product manuals through **iviewit's** proprietary system, business e-commerce sites can leverage their video and image investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality visual experiences. Licensing these b2b sites will be a primary market focus for **iviewit's** technologies.
- **Intellectual Property Owners of Video and Audio Content** - For intellectual property owners, including film studios, record companies, independent film

producers, television networks, sports leagues etc., **iviewit's** technologies means that *video streaming can finally become a revenue source*. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for the small screen, grainy content prevalent on the web today, and the pipeline required for serving these files is expensive. **iviewit's** technologies provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and reducing the digital stream size required to serve them. These solutions are at the core of **iviewit's** competitive market advantage.

- **Digital Imaging** - Companies are increasingly using digital imaging to promote their products and present information on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat and two-dimensional offering a limited field of view. The Company's immersive imaging (the ability to create the viewing perspective of being inside the image) is becoming increasingly popular with many web sites across all industries. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. **iviewit** processed images are especially resistant to pixel distortion even when zooming in to obtain screen magnification levels of up to 20:1+.

In summary, the market potential for **iviewit's** technologies is enormous. **iviewit** will engage in a high profile launch campaign designed to build awareness for its technologies with all the key market influencers and then concentrate on a licensing program to populate its technologies among b2b and b2c Internet sites.

Market Penetration

iviewit has identified various markets to target with its imaging and video streaming technologies. **iviewit** has already begun to sell its technologies to various corporations and is currently in negotiations with the following potential clients.

CONTRACTED ACCOUNTS	PENDING ACCOUNTS
<ul style="list-style-type: none"> • <u>Hollywood.com</u> • <u>Hyatt Hotels & Resorts</u> • <u>Gear Magazine/Guccione Media</u> • <u>Ellen DeGeneres</u> • <u>J.M. Lexus</u> • <u>Atlas Entertainment/Tidal 4</u> • <u>Boca Resort & Beach Club</u> • <u>Broadway.com</u> • <u>@merican enterprise.com</u> 	<ul style="list-style-type: none"> • Time Warner • 3Com Corporation • Playboy.com • MTVi/Viacom • Alliance Entertainment • Healthon/WebMD • MGM • Greg Manning Auctions/Amazon • Universal Studios

- | | |
|------------------------------------|-----------------------|
| • <u>KidsCamps.com</u> | • Broadbandsports.com |
| • <u>Great Expectations/KISMET</u> | • Healthstream |
| • <u>Medical Online</u> | • CBS Sportsline.com |
| • <u>Z.com</u> | • Versifi |
| • <u>Lovemate</u> | • Zentropy Partners |
| • <u>Sitesnet.com</u> | • Inter@ctivate |
| • <u>Dovebid/DSI</u> | • Ezlinksgolf.com |
| • <u>www.centrack.com</u> | • Machineweb.com |

Video streaming and still image enhancement are nascent markets and there are no benchmarks for pricing **iviewit's** proprietary technology enhancements. **iviewit** realizes that the needs and budget for each customer and indeed across industries vary tremendously. In response to this, **iviewit** will need to specially craft a licensing contract with each customer. **iviewit** has retained top licensing counsel with Foley and Lardner to facilitate this process

Therefore, **iviewit** has based its licensing strategy and product penetration on the following information:

- **iviewit's** contract negotiations with current clients
- **iviewit's** understanding of what companies (cost effectively) are willing to pay for these technologies, including the business economies of a given industry

until such time as industry and iviewit licensing standards have been developed.

Pricing Model – Video Streaming

iviewit will require an annual license to process a video source into an **iviewit** file to be streamed over the Internet. The licensing fee will depend on the number of distributed servers or images and videos that the customer uses for its web site. The rationale behind this is that the license fee should be greater if the technologies are being used and exploited by a larger number of users. And generally, web sites that have larger number of users require additional distributed servers. **iviewit** has decided to use distributed servers as a usage benchmark (instead of number of hits to the web site streaming the video) because of the ease in benchmarking the fee to clients in this manner.

iviewit charges a per minute fee for the processing of the video. Depending on the needs of the client, the processing of the video will vary greatly. For example, an advertising agency focused on optimizing 30 and 60 second spots will have vastly different requirements than a worldwide hotel chain with three to five minute infomercials on each property. Additionally, there are different levels of processing costs associated with the image quality required by the client. For a client that does not require frame by frame analysis of its video (i.e. a video segment on a local community college), the amount of labor to process the video is minimal and the charge is \$5 a minute to process for each platform and speed. Typically, customers request high and low bandwidth across all

three of the major players resulting in a \$30 per minute fee. For clients who require editing for their video, **iviewit** charges incremental fees priced to account for the time and labor involved.

Although not a core part of its business, **iviewit** will offer video hosting for those clients who need a complete video streaming solution. The monthly storage, database maintenance and serving fee is based on the number of gigabytes hosted by **iviewit**. **iviewit** sees this pricing model as part of its overall plan to identify and “brand” itself as a total solution service-oriented business for its clients. **iviewit** may outsource this service with several partners according to the scope and scale of the client requirements.

Pricing Model – Digital Imaging

iviewit will require an annual license fee to process still images to a zoomable and/or panoramic **iviewit** digital image. The licensing fee increases with additional distributed servers used by the customer.

iviewit will offer a turnkey suite of services to its customers that include: capturing, processing and hosting the images. In addition to the per image processing fee, **iviewit** will also charge a monthly fee for the number of images served.

Competitive Analysis

Streaming Media Competition

Three recognized companies processing video for streaming are Loudeye Technologies, Inc., Sonic Foundry, Inc., and Microcast, Inc. All of these companies are in their infancy (even though Loudeye and Sonic Foundry are public) and all typically encode streaming video and/or audio using standard, commercially available technology.

In addition, many businesses have resorted to in-house encoding for a variety of reasons including: lack of available services, little or no advantage to using available services or specialized requirements such as response time, or proprietary content. **iviewit** service and licensing offerings provide solutions to these companies not previously available.

A complete matrix follows demonstrating **iviewit**'s competitive advantages over other companies in the streaming media space.

Video Technology Comparison Chart

Company	Links	Streaming Video Customer Processing Business Model	Intellectual Property Broadband Video Content Creation Platform Claims	Streaming Video Intellectual Property Claim Areas
iviewit	<u>iviewit website</u>	Licensing & Service	YES ²	Platform Technologies for full-screen, full frame rate content creation
Loudeye	<u>Hoovers</u> ^a Loudeye Website	Service Only	NO	My Slide Show
Sonic Foundry	<u>Hoovers</u> ^b Sonic Foundry Website	Service Only	NO	Encoding Automation
VideoDome	VideoDome Website	Service Only	NO ¹	Encoding Automation
Microcast	Microcast Website	Advertising Revenue Share	NO	Browser Video Frame

Video Competitor Analysis

^a Loudeye Technologies has a Web-based MediaUpgrade software that converts audio and video content from such varying formats as AVI, VHS, Quicktime, and WAV to a variety of streaming media formats for Web publishing. Its MySlideShow application is used to make streaming online presentations using both images and sound. Loudeye (formerly Encoding.com) also offers encoding, project analysis, application development, and hosting services.

^b Sonic Foundry makes software for creating, manipulating, and storing digital audio and video data. Its ACID suite enables users to arrange and play back looped sound samples using a PC.

¹ VideoDome claims IP for video processing that speeds up the conversion time by automating the digitizing process.

² iviewit ~~claims~~ ^{achieves} Platform IP for broadband and lowband specific video processing that enables full screen, full motion video at 150+kbps.

Digital Imaging Competition

Interactive Pictures Corporation, Ulead Systems, Inc. and MGI Software, Corp. are recognized companies providing imaging for the Internet. The result of **iviewit's**

Intellectual Property (Trade Secrets and Patents Pending) advantage is that no other company in the e-commerce imaging space has the ability to display a single image file with high resolution, distortion free “scan, pan and zoom” functionality without the viewer obtaining and installing special software. With **iviewit’s** imaging process, the e-commerce solution achieves the highest resolution image quality upon zooming, enabling virtually high resolution zooms under extraordinary magnifications. **iviewit** currently has the largest full screen virtual imaging capability of any company in this space. The following table outlines the key distinctions.

Imaging Technology Comparison Chart

Company	Image Screen Size	Single 360° Zoom	Single Still Zoom	Panning Ability	Simultaneous Zoom & Pan	Virtual Image	Pixelation Upon Zoom	Image Distortion
IPIX-original	small	YES	NO	Up, Dn, Lt, Rt	YES	YES	YES	YES, warping, and “fishbowl” effect
IPIX-bamboo	mid size	NO	NO	Lt, Rt	NO	YES	No zoom available	YES
MGI Software	small	NO ¹	NO	Up, Dn, Lt, Rt	NO ¹	YES	NO	NO
Ulead	small	NO	NO	Up, Dn, Lt, Rt	NO	YES	YES	YES, wavy upon panning
Iviewit	Full	YES	YES	Up, Dn, Lt, Rt	YES	YES	NO	NO

Table 2.0 – Imaging Competitor Analysis

¹ MGI single image zoom files require special plug-in downloads. The universal viewer (viewed through standard browsers) Flashpix format only feeds individual straight JPEGs with no pan or zoom functionality.

iviewit’s Competitive Edge

iviewit is not the only company to provide video/audio streaming and immersive imaging solutions although it is important to understand that **iviewit** has proprietary processes that differentiate it from other providers. The development of **iviewit’s** proprietary technologies and techniques have been the focus of the Company’s patent portfolio.

iviewit’s proprietary technologies have been designed to utilize and take advantage of the burgeoning availability and use of broadband (100-700 Kbps spectrum) using existing user browsers and players (e.g., Real Player, Media Player and Quick Time); other known efforts at video/audio streaming and imaging that were developed for these

bandwidths produced results associated with dial-up modem capabilities. **iviewit** technologies have accomplished previously unachieved quality and features in streaming audio and video, with the intent and capability to drive these advantages downward (from the “sweet-spot,” or most efficiently used broadband zone: 150+ Kbps) to the dial-up range. The result is improved quality even at low bandwidths. In comparison, the competition’s attempts to improve the quality of streaming video have resulted in significant limitations and compromises such as; reduced frame rates, small screen display and herky-jerky video with “kung-fu” movie-like audio

Barriers To Entry

iviewit is the first and only company to provide video streaming that delivers a rich video experience with virtually distortion-free, full screen capability at normal, TV- equivalent frame rates of 29.97 fps (frames per second).

Similarly, **iviewit** is the first and only company to provide virtual imaging that preserves and delivers full image quality and detail of the original image - without distortion - not only during compression (up to 100:1), but also through high resolution zoom and magnification.

- These technical breakthroughs, and their commensurate features and benefits, comprise **iviewit**’s Patent portfolio and Trade Secrets, constituting a significant Barrier to Entry to others, while also giving it ***First Mover Advantage*** in the marketplace
- The proprietary technologies inherent in **iviewit**’s portfolio, together with the mathematics required and the algorithms developed to achieve these results, have been translated to provide the underpinnings for the profound intellectual property potential inherent in **iviewit**’s patents pending, also constituting a significant Barrier to Entry
- In accomplishing these technical breakthroughs, **iviewit** has accomplished what engineers previously thought unachievable under current bandwidth limitations. **iviewit**’s two-year development investment gives it significant lead-time in this space providing a significant competitive advantage in development time.
- The early customer validation that **iviewit** has enjoyed (as outlined in the Market Penetration section) will generate and enable additional market momentum, not only establishing **iviewit**’s breakthrough technologies as unique, but also underscoring and confirming it as the Gold Standard for video/audio streaming and imaging over the Internet. This also creates a significant Barrier to Entry.

Financial and Investment Opportunity

of equity capital

Over the past year, \$3 million has been invested in **iviewit**. The early investor is Huizenga Holdings\Investech Holdings LLC. **H. Wayne Huizenga** was the CEO of Waste Management and Blockbuster Video before founding Republic Waste Services and AutoNation. Another recent investor is Crossbow Ventures/Alpine, a significant private investment fund, located in Palm Beach and Geneva.

iviewit is presently seeking two investment tranches. The first and most imminent will be a \$2.0 million equity bridge ("the Bridge"), to be completed imminently leading to a significant \$10-20 million capital raise to be achieved by the third calendar quarter of 2000. The second round is expected to carry a significantly higher valuation than the \$2.0 million Bridge, suggesting a potentially meaningful incremental investment opportunity for the investors in the Bridge.

The funds raised from both investment tranches will be used to recruit additional management infrastructure and support staff, expand market applications of **iviewit's** proprietary visual infrastructure Internet technologies, scale up additional equipment necessary to support additional customers and generally fund the Company until its expected break-even in 20 months. Once break-even occurs, **iviewit** rapidly begins generating strong cash flow and high gross margins. At the end of ~~Year Two~~, **iviewit** is projected to be licensing and supplying its video streaming technologies to over 200 customers and its imaging technologies to over 300 customers. Full projections for the second year post funding, based on a \$10 million raise, call for sales of about \$18.3 million and EBITDA of \$8.3 million. By the end of year two, revenues are expected to achieve a rate of \$38 million per annum and gross margins of 80%.

the second fiscal year,

The principal financial projections included herein are based on a \$10 million investment (Attachment A). However, please see the following pie chart and table which shows the Use of Proceeds for a \$20 million raise.

where?
Attachment?

Potential exit strategies for **iviewit** investors may include ~~any one~~, or a combination, of the following opportunities: IPO, partner with a major company or be acquired.

Management Team

Officers

Brian G. Utley, President - Mr. Utley comes to **iviewit** from a very significant career in the computer industry. For over 30 years, he was responsible for the development of and world-wide management of many of IBM's most successful products, such as the AS400 and the PC. Entering IBM's executive ranks in the early 1980's, Mr. Utley's impact was felt in all areas of that Company's advanced technology product development, including

Biomedical Systems, European Operations and, very significantly, IBM's launch of the PC. Following the U.S. introduction of the PC, Mr. Utley moved to Europe where he was responsible for a number of IBM's overseas activities including product development, product management and market development, the most notable of which was managing the launch of the PC across Europe and the Middle East. His career with IBM culminated with his responsibility as Vice President and General Manager of IBM Boca Raton with a work force of over 6,000 professionals. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results.

Michael A. Reale, Vice President of Operations - Mr. Reale carries extensive operations and executive management experience, which will enable **iviewit** to develop a well organized and efficient production capability. Mr. Reale began his career with IBM where, over twenty years, he advanced through several production process managerial functions, culminating as Director of Manufacturing for their Personal Computer Division. Following his tenure with IBM, Mr. Reale joined SCI Systems, Inc., a Fortune 500 electronics contract manufacturer, as Senior Vice President, where he was responsible for seven operations both in the U.S. and overseas. Following SCI, Mr. Reale spent two years as President of MGV Manufacturing Corp., a premier provider of computer memory assemblies with operations in the U. S. and Europe, where he increased sales by 200%. Most recently, Mr. Reale filled successive executive positions with Boca Research, a publicly owned manufacturer of personal computer enhancement and Internet thin client products, where he progressed to and became COO. The particular value-added skills that Mr. Reale brings to **iviewit** encompass operations experience at all levels of an organization, including P&L responsibility, quality and delivery performance accountability.

Raymond T. Hersh, Chief Financial Officer – Raymond T. Hersh recently has been a private investment banker, specializing in the strategic development of emerging companies. He has over thirty-five years of successful business and operating experience involving financial services, telecommunications, manufacturing and corporate strategic planning. Most recently, he was co-founder and President/CEO of a telecom start-up specializing in providing healthcare information. For over twenty years, he successively grew two Florida-based specialty manufacturing companies from combined revenues of about \$2.7 million to over \$19 million, acting as President/CEO and Executive Vice President/Chief Financial Officer, respectively. Previously, Mr. Hersh spent nine years as an investment banker in New York City where his last position was as President of a member firm of the New York and American Stock Exchanges. Earlier, he spent five years as an Enforcement Attorney with the U. S. Securities and Exchange Commission in New York City where he exited as a Branch Chief. He is a member of the New Jersey and New York Bars.

Eliot I. Bernstein, Founder and Chief Technology Officer - Mr. Bernstein, is a graduate of University of Wisconsin, specializing in computer science and with a B.S. in psychology. Prior to founding **iviewit**, he spent 15 years creating and developing many

innovative, computer- based multi-media marketing tools, which remain in use supporting multi-billion dollar service industries. In 1998, Mr. Bernstein chose to advance these multi-media development tools to new and previously unachieved heights creating the high impact visual applications for the Internet that have become **iviewit's** core enabling technologies. In developing these technologies, Mr. Bernstein adopted a vision that combined his passions for photography and video with a burning desire to see the Internet evolve from a text-based medium to a visually elegant tool. As Chief Technology Officer and the principal inventor of **iviewit's** proprietary technologies, Mr. Bernstein oversees the continuing development and new applications of **iviewit's** core visualization technologies in addition to developing complementary and emerging technologies. He is committed to insuring that **iviewit** achieves and maintains its leadership position as the standard for audio/visual and imaging technologies.

James F. Armstrong, VP of Sales and Marketing – Mr. Armstrong graduated Northwestern University with a major in Economics and Business. Mr. Armstrong has also received a Certified Investment Management Analyst degree from the Wharton School. He subsequently founded and operated The Armstrong Group, Ltd. The Armstrong Group is a financial planning, insurance consulting and sales firm targeting the corporate executive and high net-worth markets. He has developed marketing materials, formulated policies and procedures and has recruited and supervised a national network of planning and sales specialists for Prudential Securities. In addition, he has experience in building a sales infrastructure for a start-up companies. Mr. Armstrong's extensive knowledge of computer hardware and software applications have served him well in his previous responsibilities, and, together with his broad business experience, uniquely positions him for this leadership role with **iviewit**.

Board of Directors

Brian G. Utley, President

Eliot I. Bernstein, Founder & CTO

Donald G. Kane – Mr. Kane is President of GDI, a privately held holding company that controls 4 business-to-business Internet companies. Prior to joining GDI. Mr. Kane was a Managing Director in the Investment Banking Division of Goldman Sachs & Co. During his fourteen-year career at Goldman Sachs, Mr. Kane created the firm's Midwest Financial Institutions practice and founded a Global Financial Institutions Technology Group. He is a Board member and Vice Chairman of Sagence Systems, Inc., a GDI company and is a member of the Board of Versifi, Inc. and Ergo Systems. Mr. Kane is an advisor to Signcast, Inc., Gryphon Holdings and Capita Technologies. He is a member of the Kellogg Graduate School of Management Advisory Board at Northwestern University and is a member of the Board of the Metropolitan YMCA of Chicago.

Kenneth Anderson - Ken Anderson brings over 20 years of experience in the financial services world to his recent move to Jim Clark's new start-up myCFO. Prior to joining

myCFO, Mr. Anderson served as a partner in Arthur Andersen's private client services practice where he created the family wealth and financial planning practice for the southern California practice. He focused on estate and income tax planning for high net worth individuals and families. Mr. Anderson has significant experience in compensation, insurance, and business succession consulting.

He is a board member of the Idyllwild Arts and Boy Scouts of America, Western Council. Ken is a founding member of the Family Business Program at the University of Southern California. He served as director of the Society of CPA/Financial Planners, was a member of the California CPA Society Committee on Personal Financial Planning. Mr. Anderson is on the Board of Directors of **iviewit** and Schaeffer Autosimulation, LLC. Mr. Anderson holds a BS in accounting and economics from Valparaiso University and a JD with an emphasis on taxation from the Valparaiso University School of Law.

H. Hickman Powell, Director – Prior to joining CrossBow Ventures, Mr. Powell spent 14 years as an investment analyst and corporate finance advisor. He worked with McKinsey & Company and J.P. Morgan Investment Management, both based in London. Among his primary areas of expertise are technology research and economic research, including electronics, telecommunications and computer software. Most recently, he was Senior Technology Analyst and Vice President of Southeast Research Partners, Inc. where he worked with leading technology companies. He earned a bachelor of arts degree at Yale University and a master of business administration degree at Stanford University.

Maurice R. Buchsbaum, Director – Mr. Buchsbaum has engaged in corporate finance projects as a principal, advisor, consultant, officer, director or senior managing director for the past 27 years. As a partner or senior officer of several leading investment banks (including Drexel Burnham, Kidder Peabody and JW Genesis), he has worked in all aspects of corporate finance. He formed Emerald Capital Partners in early 1999, to provide strategic planning and banking advice to a myriad of small and medium sized American growth companies. He has engaged in numerous public and private transactions and activities that include seed capital, early stage financing, major and late stage strategic finance, restructuring and mergers/acquisitions ranging in size from \$1 million to \$700 million. His industry experience includes health care, technology, telecommunications, biotechnology, financial services, environmental, and airlines. He holds BS and MBA degrees with honors from Ohio State University, and was a fellow in the doctoral program at Northwestern University.

Simon L. Bernstein, Chairman Emeritus - Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over a billion in life premium sales. Mr. Bernstein's career in the life insurance industry began in 1965 when he became the top producer for Aetna Life and Casualty Company. He has remained in the top 5% of life insurance sales agencies since that time. Mr. Bernstein supplied the initial "angel" investment for **iviewit**.

Gerald R. Lewin, Director - Gerald Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. In 1981, Mr. Lewin is Senior Partner of Goldstein Lewin & Co., which currently is a leading 50 man southeastern accounting firm. Mr. Lewin specializes in business consulting and is highly knowledgeable in many areas of accounting, tax and financial planning. Mr. Lewin is a member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

Advisory Board

Kenneth Rubenstein -Mr. Rubenstein is a partner at Proskauer Rose LLP law firm and is the patent attorney for **iviewit**. He is a registered patent attorney before the U.S. Patent & Trademark Office. Ken counsels his clients with respect to the validity and infringement of competitors' patents, as well as prosecutes patent applications. For the past several years Ken has worked on the formation of a patent pool, for MPEG-2 technology, involving large consumer electronics and entertainment companies. Ken is also a former member of the legal staff at Bell Laboratories. Ken received his law degree, cum laude, from New York Law School. and his Ph.D. in physics from the Massachusetts Institute of Technology where he also graduated with a B.S. Degree.

Alan J. Epstein -Mr. Epstein is a shareholder of the entertainment law firm Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C., which is based in Los Angeles. Alan's law practice consists of advising Internet companies on various issues pertaining to the entertainment and sports industries, including the creation, licensing and acquisition of content, the introduction and negotiation of strategic partner relationships, and various other matters relating to the convergence of technology and content. Alan also advises his firm's numerous celebrity clients on the exploitation and protection of their name and likeness rights and content on the Internet, as well as merchandising, endorsement and sponsorship deals. Prior to entering the UCLA School of Law, Alan was a certified public accountant at Deloitte Haskins & Sells in Dallas, Texas.

Christopher C. Wheeler - Mr. Wheeler is a member of Proskauer Rose LLP's Corporate Department and as a partner in the Florida office has a versatile transactional practice. Chris has had extensive experience in real estate and corporate law, institutional lending and workouts, administrative law and industrial revenue bond financing. Moreover, he serves as a strategist and counselor to many clients in handling their other legal and business matters. Chris is well-versed in general corporate law as well as mergers and acquisitions and securities matters. He has guided companies from startup through initial private placements to public offerings. A graduate of Hamilton College and Cornell Law School, Chris was a member of the managing Board of Editor of the Cornell Law Review.

Eric M. Chen - Mr. Chen is an honors graduate from Harvard University. He has spent much of his career in the field of investment banking where he has specialized in advising, financing and guiding the growth strategies of many health care companies. His areas of expertise include biotechnology, medical diagnostics, and new emerging

drug technology and delivery systems. He has served as an analyst, Senior Vice President and Managing Director for several Wall Street firms including Furman Selz, Hambrecht & Quist, Fechter Detwiler and Southeast Research Partners. Much of his activities have focused upon early stage growth companies in both the public and private sectors. He has analyzed companies in a wide variety of industries, which include vision care, telecommunications, computer storage, software applications and data management. Mr. Chen is the President of Emerald Capital Partners, which he co-founded with Mr. Buchsbaum, since his departure from Southeast Research Partners in early 1999.

Legal and Accounting Counsel

Arthur Andersen LLP – Auditor - Arthur Andersen's vision is to be *the* partner for success in the New Economy. The firm helps clients find new ways to create, manage and measure value in the rapidly changing global economy. With world-class skills in assurance, tax, consulting and corporate finance, Arthur Andersen has more than 70,000 people in 83 countries that are united by a single worldwide operating structure that fosters inventiveness, knowledge sharing and a focus on client success. Since its beginning in 1913, Arthur Andersen has realized 86 years of uninterrupted growth, with 1999 revenues over \$7 billion. Arthur Andersen is a business unit of Andersen Worldwide.

Proskauer Rose LLP - one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients through the United States and around the world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.

Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C. – one of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting in developing the business structure and strategic relationships for **iviewit**.

Foley & Lardner - one of the oldest and largest law firms in America. Founded in 1842, the firm now has more than 750 attorneys in 14 offices, following the February 1996 merger with Weissburg and Aronson, Inc. Foley & Lardner's over 100 highly skilled intellectual property attorneys constitute one of the largest and most sophisticated technology groups in a general-practice law firm in the United States. As one of the few large national law firms with a global intellectual property law group which is uniquely positioned to help **iviewit** capitalize on its foreign filings. The firm's broad-based representations in litigation, regulatory affairs and general business counseling is

complemented by one of the world's most highly trained staffs, which includes 65 engineering and advanced technical degrees, including 12 Ph.D.'s. The list of clients using Foley & Lardner to fill their intellectual property legal needs ranges from small entrepreneurial start-up companies to large international and multinational corporations. Foley & Lardner attorneys provide solutions and successfully serve the needs of clients around the world, including those situated in the United States, Canada, Latin America, the European Union, Eastern Europe, the Middle East, and the Pacific Rim.

William J. Dick - Special Counsel to the West Palm Beach office of Foley & Lardner. A member of the firm's Intellectual Property Department (Electronics Practice Group), Mr. Dick currently focuses on mentoring other members of the Electronics and Consumer Products Practice Groups in various IP related matters. He also conducts weekly classes in patent related matters for new associates. Mr. Dick joined Foley & Lardner after 26 years with IBM. He began as a patent attorney, and has handled all phases of patent, trademark and copyright duties, including litigation. Mr. Dick's most recent position with IBM was as Assistant General Counsel to IBM Asia Pacific. Mr. Dick is a graduate of the University of Virginia (B.M.E., 1956; L.L.B., 1962 changed to J.D., 1970)

Douglas Boehm - a partner in the Milwaukee office of Foley & Lardner and a member of the firm's Intellectual Property Department (Consumer & Industrial Products Practice Group and Health Information Technology Practice Group), Mr. Boehm practices in the areas of patent, trademark, copyright, and trade secret counseling; U.S. and foreign patent prosecution; and computer software and intellectual property licensing and technology transfers. Mr. Boehm's technical focus encompasses electrical and electronic engineering, including analog/digital/RF circuitry, radio telecommunications, lasers and fiber optics, and computer hardware and software. He has extensive experience in private industry, having worked as a development engineer and patent agent for Motorola, and as patent counsel for a subsidiary of Amoco Technology Company.

Attachment A – Financial Projections



"iviewit Financials
Approved.xls"

If you would like a hard copy of the financials, please run the above Excel executable and print the financials. Once you open the excel workbook, click FILE then, select PRINT, go to the "Print What" section and select "Entire Workbook" and then select OK. In the event that you would like to review the financials on your screen follow the previous steps, except after selecting "Entire Workbook" select "Preview". If you have any problems or would like a hard copy sent please call our toll free number at 877-484-8444.

**VIEWIT FINANCIAL PROJECTIONS
FOR YEARS 2000 - 2003**

FISCAL YEAR THREE - 2002/03

REVENUE	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
Video Streaming	\$1,836,005	2,312,006	2,652,007	1,800,467	2,232,579	3,168,821	2,120,826	2,629,824	3,732,653	2,685,945	3,382,301	3,879,698	32,433,131
Imaging	709,905	893,954	1,025,418	688,344	790,320	1,070,757	776,218	891,213	1,207,450	872,523	1,098,733	1,260,311	11,285,144
	<u>2,545,909</u>	<u>3,205,960</u>	<u>3,677,424</u>	<u>2,488,810</u>	<u>3,022,899</u>	<u>4,239,578</u>	<u>2,897,043</u>	<u>3,521,037</u>	<u>4,940,103</u>	<u>3,558,468</u>	<u>4,481,034</u>	<u>5,140,010</u>	<u>43,718,276</u>
COST OF GOODS SOLD	544,609	685,804	786,657	544,777	661,684	928,004	590,966	718,254	1,007,728	630,121	793,486	910,175	8,802,265
GROSS PROFIT	2,001,300	2,520,156	2,890,767	1,944,033	2,361,215	3,311,574	2,306,078	2,802,783	3,932,375	2,928,347	3,687,548	4,229,834	34,916,011
OPERATING EXPENSES													
Marketing Expense	894,397	1,126,277	1,291,906	887,041	1,077,396	1,511,035	955,448	1,161,242	1,629,252	1,116,251	1,405,650	1,612,363	14,668,259
Corporate Expense	216,069	216,069	216,069	216,581	216,581	216,581	217,122	217,122	217,122	217,696	217,696	217,696	2,602,406
R&D Expense	179,456	179,456	179,456	191,178	191,178	191,178	191,238	191,238	191,238	191,305	191,305	191,305	2,259,529
	<u>1,289,922</u>	<u>1,521,803</u>	<u>1,687,432</u>	<u>1,294,799</u>	<u>1,485,154</u>	<u>1,918,793</u>	<u>1,363,809</u>	<u>1,569,603</u>	<u>2,037,612</u>	<u>1,525,253</u>	<u>1,814,651</u>	<u>2,021,364</u>	<u>19,530,194</u>
NET OPERATING PROFIT (LOSS)	711,378	998,353	1,203,336	649,234	876,061	1,392,781	942,269	1,233,181	1,894,763	1,403,094	1,872,897	2,208,470	15,385,817

FISCAL YEAR TWO - 2001/02

REVENUE	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
Video Streaming	\$611,713	770,306	883,586	655,817	813,213	1,154,238	1,073,945	1,352,375	1,551,254	1,426,660	1,796,534	2,060,731	14,150,373
Imaging	298,872	376,357	431,704	327,047	375,499	508,740	418,395	480,380	650,837	532,679	670,781	769,426	5,840,717
	<u>910,585</u>	<u>1,146,663</u>	<u>1,315,289</u>	<u>982,864</u>	<u>1,188,712</u>	<u>1,662,978</u>	<u>1,492,340</u>	<u>1,832,755</u>	<u>2,202,091</u>	<u>1,959,339</u>	<u>2,467,316</u>	<u>2,830,156</u>	<u>19,991,090</u>
COST OF GOODS SOLD	242,843	305,803	350,774	232,038	280,636	392,602	304,356	373,782	449,107	334,417	421,118	483,047	4,170,524
GROSS PROFIT	667,742	840,860	964,516	750,826	908,076	1,270,376	1,187,984	1,458,973	1,752,984	1,624,922	2,046,198	2,347,110	15,820,566
OPERATING EXPENSES													
Marketing Expense	510,271	642,563	737,058	505,964	611,932	856,077	628,964	772,435	928,096	708,720	892,463	1,023,707	8,818,250
Corporate Expense	185,780	185,780	185,780	190,371	190,371	190,371	195,385	195,385	195,385	195,841	195,841	195,841	2,302,131
R&D Expense	87,662	87,662	87,662	137,695	137,695	137,695	143,404	143,404	143,404	143,449	143,449	143,449	1,536,631
	<u>783,713</u>	<u>916,006</u>	<u>1,010,500</u>	<u>834,031</u>	<u>939,998</u>	<u>1,184,143</u>	<u>967,752</u>	<u>1,111,224</u>	<u>1,266,884</u>	<u>1,048,010</u>	<u>1,231,753</u>	<u>1,362,997</u>	<u>12,657,012</u>
NET OPERATING PROFIT (LOSS)	-115,972	-75,146	-45,985	-83,205	-31,922	86,233	220,232	347,749	486,100	576,912	814,446	984,113	3,163,554

FISCAL YEAR ONE - 2000/01

REVENUE	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
Video Streaming	\$24,344	30,656	35,164	43,597	54,060	76,730	98,323	121,920	173,048	196,795	244,026	346,359	1,445,022
Imaging	51,511	64,866	74,405	64,533	74,093	100,384	107,530	123,461	167,269	162,297	186,341	252,463	1,429,154
	75,856	95,522	109,569	108,130	128,153	177,115	205,853	245,381	340,317	359,092	430,367	598,821	2,874,176
COST OF GOODS SOLD	96,392	121,383	139,233	116,749	138,369	191,234	119,039	141,897	196,796	152,345	182,583	254,050	1,850,070
GROSS PROFIT	-20,537	-25,861	-29,664	-8,620	-10,216	-14,119	86,814	103,484	143,521	206,748	247,784	344,772	1,024,106
OPERATING EXPENSES													
Marketing Expense	236,765	298,148	341,993	233,790	277,084	382,945	293,658	350,047	485,478	320,427	384,028	534,344	4,138,707
Corporate Expense	179,369	179,369	179,369	138,677	138,677	138,677	142,893	142,893	142,893	173,614	173,614	173,614	1,903,657
R&D Expense	49,956	49,956	49,956	73,822	73,822	73,822	73,636	73,636	73,636	82,318	82,318	82,318	839,198
	466,089	527,473	571,318	446,289	489,583	595,444	510,187	566,576	702,007	576,360	639,960	790,276	6,881,561
NET OPERATING PROFIT (LOSS)	-486,626	-553,333	-600,982	-454,909	-499,799	-609,563	-423,374	-463,092	-558,486	-369,612	-392,176	-445,504	-5,857,456

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Breaked down

Corporate Cost Structure

iviewit Corporate Costs	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
Office of President	43750	43750	56250	106250	106250	106250	120000	120000	120000	120000	120000	120000
Founder & Sr. VP	56250	56250	56250	62500	62500	62500	62500	62500	62500	62500	62500	62500
Office Staff												
Office Manager	12500	12500	12500	12500	13750	13750	13750	13750	15000	15000	15000	15000
Secretarial Support	17500	17500	17500	26250	26250	26250	26250	26250	28750	28750	28750	28750
Chief Financial Officer	43750	43750	43750	43750	43750	48125	48125	48125	48125	48125	48125	48125
Controller	19500	19500	19500	20475	21498.75	22573.69	23702.37	24887.49	26131.86	27438.46	28810.38	30115.00
Accountant	9500	9500	9500	19000	38000	41800	41800	41800	52250	52250	52250	52250
Legal Staff	43750	43750	43750	43750	43750	48125	48125	48125	72187.5	72187.5	72187.5	72187.5
Legal Support	15750	15750	15750	17500	17500	17500	17500	17500	18375	18375	18375	18375
Occupancy	735	945	945	1634	1797	2174	2392	2631	2894	3183	3562	3852
Utilities	1350	1485	1485	1634	1797	2174	2392	2631	2894	3183	3562	3852
Telephone	24000	24000	24000	24000	24000	24000	24000	24000	24000	24000	24000	24000
Consultants	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000
Outside Counsel	75000	75000	75000	75000	75000	75000	75000	75000	75000	75000	75000	75000
Travel	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000
Recruiting Expense	4350	4350	4350	4350	4350	4350	4350	4350	4350	4350	4350	4350
Insurance, Liability & D&O	28805	31305	16055	37305	24344	33094	39344	19594	31594	42844	22844	22844
Network Support	28742	28742	28742	28742	99955	99955	99955	99955	109296	109296	109296	109296
Bonus Pool accrued on revenue	84375	84375	84375	84375	84375	84375	84375	84375	84375	84375	84375	84375
401K Contribution	538106.4	416030	428678.5	520841.9	557341	571112.6	586154.8	587522.6	648208.2	649742	651366.9	653089
Total								2302131				2602406
12 month Total												

No decimal points anywhere. Round up!

R&D Cost

iviewit Research and Development	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
CTO	31250	31250	31250	31250	31250	31250	31250	31250	34375	34375	34375	34375
Assistant	9250	9250	9250	9250	9250	9250	10000	10000	10000	10000	10000	10000
Professional Development Staff	35000	35000	35000	52500	52500	105000	105000	105000	157500	157500	157500	157500
Software Developers	8750	8750	8750	8750	8750	17500	17500	17500	17500	17500	17500	17500
Technician	4500	4500	4500	4500	4500	9000	9000	9000	9000	9000	9000	9000
Occupancy	210	270	270	270	297	594	594	594	651	651	651	651
Utilities	386	424	467	513	565	1242	1367	1503	1654	1819	2001	2201
Telephone	11522	12522	6422	14922	875	1750	1750	1750	4,375	4,375	4,375	4,375
Network Support	12000	25000	25000	25000	25000	25000	35000	35000	35000	35000	35000	35000
Capital	60000	12000	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000
Expense Development Materials	60000	60000	60000	60000	60000	60000	60000	60000	60000	60000	60000	60000
Intellectual Property Processing	12000	15000	15000	15000	15000	20000	20000	20000	23000	23000	23000	23000
Travel and Conferences	7500	7500	10000	10000	12500	18750	18750	18750	21563	21563	21563	21563
Subcontract	149868	221466	220909	246955	262987	413086	430211	430347	538367	573533	573714	573915
Total								1536631				2259529
12 month Total												

Costs Allocated to Marketing

Sales and Marketing Occ.	15287	15583	15710	15850	16085	16255	16441	16646	16957	17205	17478	17778
Total, Boca allocation to marketing	15287	15583	15710	15850	16085	16255	16441	16646	16957	17205	17478	17778

May need to front-load add'l pin costs

Marketing and Sales Budget

Quarter	New Sales	Directors	Sales T&E	Base Salaries	All Commission	Marketing Exec + Associates	Brand Associates	Strategy	Collateral	Materials	Public Relations	Advertising & Trade Shows	Occupancy Boca	Occupancy other	Network Support	Total
1	2	\$24,000	\$75,000	\$56,189	\$56,250	\$100,000	\$200,000	\$12,500	\$247,500	\$15,287	\$15,287	\$15,287	\$15,287	\$15,287	\$74,892	\$876,906
2	4	\$48,000	\$150,000	\$82,680	\$75,000	\$100,000	\$150,000	\$12,500	\$247,500	\$15,583	\$15,583	\$15,583	\$15,583	\$15,583	\$81,392	\$893,820
3	4	\$72,000	\$225,000	\$158,310	\$75,000	\$100,000	\$150,000	\$12,500	\$247,500	\$15,710	\$15,710	\$15,710	\$15,710	\$15,710	\$41,742	\$1,129,183
4	4	\$72,000	\$225,000	\$277,656	\$93,750	\$100,000	\$150,000	\$12,500	\$247,500	\$15,850	\$15,850	\$15,850	\$15,850	\$15,850	\$96,992	\$1,238,799
5	2	\$84,000	\$262,500	\$674,507	\$93,750	\$100,000	\$75,000	\$25,000	\$447,500	\$16,085	\$16,085	\$16,085	\$16,085	\$16,085	\$63,294	\$1,889,892
6	2	\$96,000	\$300,000	\$766,911	\$112,500	\$100,000	\$75,000	\$25,000	\$447,500	\$16,255	\$16,255	\$16,255	\$16,255	\$16,255	\$86,044	\$1,973,973
7	2	\$96,000	\$300,000	\$1,105,437	\$112,500	\$100,000	\$75,000	\$25,000	\$447,500	\$16,441	\$16,441	\$16,441	\$16,441	\$16,441	\$102,294	\$2,329,495
8	2	\$108,000	\$337,500	\$1,885,859	\$131,250	\$100,000	\$75,000	\$25,000	\$447,500	\$16,646	\$16,646	\$16,646	\$16,646	\$16,646	\$50,944	\$2,624,890
9	2	\$120,000	\$375,000	\$1,950,257	\$150,000	\$100,000	\$75,000	\$25,000	\$447,500	\$16,957	\$16,957	\$16,957	\$16,957	\$16,957	\$82,144	\$3,312,581
10	2	\$120,000	\$375,000	\$2,271,637	\$150,000	\$100,000	\$75,000	\$25,000	\$447,500	\$17,205	\$17,205	\$17,205	\$17,205	\$17,205	\$111,394	\$3,475,472
11	2	\$120,000	\$375,000	\$2,635,902	\$150,000	\$100,000	\$75,000	\$25,000	\$447,500	\$17,478	\$17,478	\$17,478	\$17,478	\$17,478	\$59,394	\$3,745,942
12	2	\$1,056,000	\$3,300,000	\$15,316,708	\$1,312,500	\$300,000	\$1,250,000	\$250,000	\$4,932,500	\$181,988	\$181,988	\$181,988	\$181,988	\$181,988	\$857,882	\$27,272,250

1.5M

Note:

3 New offices will be opened during the first 2 quarters: Los Angeles, Chicago and New York. These offices will house 3-5 of the 10 new sales people. The remaining salespeople will work from their homes and be supported by an expanded administrative pool in the 4 offices (including Boca Raton). Telecommuting sales directors will be supplied with phone, copier, fax, computer and internet service.

Trade Shows: Assume 6 per year at an average cost of \$ 65,000 per show.

Advertising: Year 1, assumes \$ 150,000 per quarter
 Year 2, assumes \$ 350,000 per quarter
 Year 3, assumes \$ 507,500 per quarter

T & E: assumes \$ 6,000 per month of expenses per sales director.

Occupancies This is an allocation of (blank) percent of total occupancy.

Network Support: This is an allocation of (blank) percent of total network support.

- Marketing Exec + 1 Associate
- Marketing Exec + 2 Associates
- Marketing Exec + 2 Associates
- Marketing Exec + 3 Associates
- Marketing Exec + 3 Associates
- Marketing Exec + 4 Associates
- Marketing Exec + 4 Associates
- Marketing Exec + 4 Associates
- Marketing Exec + 5 Associates
- Marketing Exec + 6 Associates
- Marketing Exec + 6 Associates
- Marketing Exec + 6 Associates

seen

These Commissions

Are you way too high. really says to have of sales?

per a 20% of gross margin work. In a tight deposit deferral of \$10.242M that is

2002/2003,

For example, in 2002/2003, But the (0.5M) of \$15.385 M. That is

business, also earn net period of commissions. in my results are to during 68.742 M of commissions, in my results projected earned plus lapsed and force to be restructured. incentive force salary probably the sales needs to be restructured. sales base comp view. purchase needs

Total Revenue Projections

Video

Imaging

Quarter	Total Revenue	Setup Fees										Total Revenue
		Encoding	Hosting	Serving	Master Licensing	Total Revenue	Annual License Fee	Resorts Packages	Image Processing	Master Licensing	Hosting & Serving	
First	\$280,946	\$31,800	\$1,069	\$7,295	\$50,000	\$90,165	\$6,000	\$22,800	\$96,000	\$50,000	\$15,982	\$190,782
Second	\$413,398	\$97,440	\$3,339	\$23,608	\$50,000	\$174,387	\$14,000	\$35,600	\$100,800	\$50,000	\$38,611	\$239,011
Third	\$791,551	\$265,000	\$9,242	\$69,049	\$50,000	\$393,291	\$31,000	\$65,900	\$105,849	\$100,000	\$95,511	\$398,260
Fourth	\$1,385,280	\$518,640	\$18,383	\$150,156	\$100,000	\$787,179	\$54,000	\$96,500	\$111,150	\$150,000	\$189,451	\$601,101
Fifth	\$3,372,537	\$1,519,560	\$54,669	\$453,876	\$237,500	\$2,265,605	\$89,000	\$157,700	\$116,718	\$387,500	\$356,014	\$1,106,932
Sixth	\$3,834,555	\$1,774,680	\$64,728	\$546,360	\$237,500	\$2,623,268	\$125,000	\$144,600	\$120,228	\$287,500	\$533,959	\$1,211,287
Seventh	\$5,527,186	\$2,638,020	\$97,436	\$854,619	\$387,500	\$3,977,575	\$165,000	\$154,600	\$123,843	\$325,000	\$781,169	\$1,549,612
Eighth	\$7,256,811	\$3,541,560	\$132,327	\$1,185,038	\$425,000	\$5,283,925	\$206,000	\$172,700	\$127,566	\$412,500	\$1,054,120	\$1,972,886
Ninth	\$9,429,293	\$4,206,420	\$158,839	\$1,459,758	\$975,000	\$6,800,017	\$239,000	\$121,500	\$131,400	\$812,500	\$1,324,876	\$2,529,276
Tenth	\$9,751,287	\$4,861,040	\$185,338	\$1,755,488	\$400,000	\$7,201,867	\$271,000	\$119,000	\$134,037	\$437,500	\$1,587,884	\$2,549,421
Eleventh	\$11,358,183	\$5,599,280	\$215,369	\$2,106,154	\$562,500	\$8,483,303	\$303,000	\$126,800	\$136,725	\$437,500	\$1,870,855	\$2,874,880
Twelfth	\$13,179,512	\$6,539,100	\$253,530	\$2,592,815	\$562,500	\$9,947,945	\$334,000	\$124,300	\$139,470	\$475,000	\$2,158,797	\$3,231,567
Year One	\$2,874,176	\$912,880	\$32,034	\$250,108	\$250,000	\$1,445,022	\$105,000	\$220,800	\$413,799	\$350,000	\$339,555	\$1,429,154
Year Two	\$19,991,090	\$9,473,820	\$349,161	\$3,039,893	\$1,287,500	\$14,150,373	\$585,000	\$629,600	\$488,355	\$1,412,500	\$2,725,262	\$5,940,717
Year Three	\$43,718,276	\$21,205,840	\$813,077	\$7,914,215	\$2,500,000	\$32,433,131	\$1,147,000	\$491,600	\$541,632	\$2,162,500	\$6,942,412	\$11,285,144

Assumes Fiscal Year beginning October 1, 2000
Assumes a 20MM raise in Q4 2000

Video Revenue Projections

1st Quarter (Estimate) 12/31/2020	Video Minutes Processed per Quarter				Video Hosting & Servicing				Video Hosting & Servicing				Master License Agreements	Total Revenue
	# of Clients	Avg. Minutes per video	Total Source Video Minutes	Total Encoded Minutes (4 formats)	Total GB Encoded	GB Hosted by iViewit	GB Hosted via Modern Files	GB Hosted via Modern Files	GB Hosted via Modern Files	GB Hosted via Broadband Files	# of Playbacks per video	Total GB Served		
Industry	1,000	3.00	285,000	1,140,000	15,333	3,833	19,666	19,666	3,288	28,988	6,000,000	48,674		
Music	1,000	3.00	1,140,000	4,560,000	7,260	1,820	22,920	22,920	3,381	33,811	7,000,000	56,774		
Magazines	1,000	3.00	3,300,000	12,720,000	17,720	4,444	17,720	17,720	3,800	18,111	7,750,000	30,400		
Studios	1,000	3.00	3,900,000	14,400,000	20,980	5,245	20,980	20,980	4,449	30,139	6,250,000	50,666		
Sports	2,000	3.00	1,800,000	6,800,000	24,211	6,053	24,211	24,211	5,188	33,811	3,500,000	56,774		
All Others	5,000	3.00	6,300,000	23,700,000	21,339	5,334	21,339	21,339	4,688	48,674	1,500,000	243,118		
Total														
Revenue														\$1,293,40
														\$50,000.00
														\$90,164.68

2nd Quarter	Video Minutes Processed per Quarter				Video Hosting & Servicing				Video Hosting & Servicing				Master License Agreements	Total Revenue
	# of Clients	Avg. Minutes per video	Total Source Video Minutes	Total Encoded Minutes (4 formats)	Total GB Encoded	GB Hosted by iViewit	GB Hosted via Modern Files	GB Hosted via Modern Files	GB Hosted via Modern Files	GB Hosted via Broadband Files	# of Playbacks per video	Total GB Served		
Industry	1,000	4.00	1,200,000	4,800,000	64,560	16,140	16,140	16,140	2,433	16,088	6,300,000	220,333		
Music	2,000	4.00	384,000	1,536,000	20,666	5,166	5,166	5,166	788	6,533	1,818,000	171,366		
Magazines	2,000	4.00	928,000	3,712,000	49,933	12,988	12,988	12,988	1,888	15,111	3,938,000	91,811		
Studios	2,000	4.00	1,096,000	4,384,000	58,966	15,333	15,333	15,333	2,222	19,455	6,563,000	153,022		
Sports	4,000	4.00	1,264,000	5,056,000	68,000	17,000	17,000	17,000	2,566	15,122	3,570,000	166,477		
All Others	13,000	4.00	19,488,000	77,440,000	68,111	17,000	17,000	17,000	2,566	15,122	3,570,000	166,477		
Total														
Revenue														\$1,293,40
														\$50,000.00
														\$174,387.22

3rd Quarter	Video Minutes Processed per Quarter				Video Hosting & Servicing				Video Hosting & Servicing				Master License Agreements	Total Revenue
	# of Clients	Avg. Minutes per video	Total Source Video Minutes	Total Encoded Minutes (4 formats)	Total GB Encoded	GB Hosted by iViewit	GB Hosted via Modern Files	GB Hosted via Modern Files	GB Hosted via Modern Files	GB Hosted via Broadband Files	# of Playbacks per video	Total GB Served		
Industry	1,000	5.00	1,200,000	4,800,000	225,960	61,011	61,011	61,011	8,855	529,120	6,615,000	829,466		
Music	8,000	5.00	4,800,000	18,000,000	888,000	232,966	232,966	232,966	32,888	1,820,000	2,118,000	266,888		
Magazines	8,000	5.00	1,200,000	4,800,000	98,455	26,588	26,588	26,588	3,855	70,411	124,033	194,433		
Studios	8,000	5.00	2,880,000	11,520,000	154,944	41,833	41,833	41,833	6,077	156,477	275,633	342,099		
Sports	8,000	5.00	3,320,000	13,280,000	178,622	48,233	48,233	48,233	6,999	165,377	3,642,000	456,677		
All Others	27,000	5.00	53,000,000	203,440,000	192,477	48,233	48,233	48,233	6,999	165,377	3,642,000	456,677		
Total														
Revenue														\$59,048.97
														\$50,000.00
														\$74,291.35

4th Quarter	Video Minutes Processed per Quarter				Video Hosting & Servicing				Video Hosting & Servicing				Master License Agreements	Total Revenue
	# of Clients	Avg. Minutes per video	Total Source Video Minutes	Total Encoded Minutes (4 formats)	Total GB Encoded	GB Hosted by iViewit	GB Hosted via Modern Files	GB Hosted via Modern Files	GB Hosted via Modern Files	GB Hosted via Broadband Files	# of Playbacks per video	Total GB Served		
Industry	1,000	6.00	1,200,000	4,800,000	492,599	137,933	137,933	137,933	20,000	673,466	11,933	1,288,833		
Music	8,000	6.00	4,800,000	18,000,000	1,361,779	394,922	394,922	394,922	57,266	1,887,377	3,910,255	1,190,000		
Magazines	8,000	6.00	3,096,000	12,384,000	166,566	46,644	46,644	46,644	6,777	120,288	230,199	3,442,000		
Studios	8,000	6.00	6,384,000	25,536,000	343,466	96,177	96,177	96,177	13,944	350,844	82,233	671,433		
Sports	8,000	6.00	4,752,000	19,008,000	255,666	71,588	71,588	71,588	10,338	231,555	61,233	443,133		
All Others	42,000	6.00	103,728,000	414,912,000	390,644	96,177	96,177	96,177	13,944	350,844	82,233	671,433		
Total														
Revenue														\$156,155.77
														\$100,000.00
														\$74,179.11

5th Quarter	Video Minutes Processed per Quarter				Video Hosting & Servicing				Video Hosting & Servicing				Master License Agreements	Total Revenue
	# of Clients	Avg. Minutes per video	Total Source Video Minutes	Total Encoded Minutes (4 formats)	Total GB Encoded	GB Hosted by iViewit	GB Hosted via Modern Files	GB Hosted via Modern Files	GB Hosted via Modern Files	GB Hosted via Broadband Files	# of Playbacks per video	Total GB Served		
Industry	1,000	7.00	1,200,000	4,800,000	1,611,422	483,433	483,433	483,433	70,099	2,262,466	4,133,333	7,442,000		
Music	8,000	7.00	8,400,000	31,680,000	3,863,333	1,159,222	1,159,222	1,159,222	168,811	4,521,444	8,266,666	15,713,333		
Magazines	8,000	7.00	2,520,000	9,072,000	364,333	109,222	109,222	109,222	15,888	265,111	519,199	4,052,000		
Studios	8,000	7.00	6,480,000	23,520,000	1,420,333	426,111	426,111	426,111	61,778	1,516,077	3,391,333	7,979,000		
Sports	8,000	7.00	18,432,000	66,352,000	991,644	297,499	297,499	297,499	43,133	881,499	1,971,855	3,866,000		
All Others	106,000	7.00	743,728,000	2,814,528,000	991,644	297,499	297,499	297,499	43,133	881,499	1,971,855	3,866,000		
Total														
Revenue														\$237,500.00
														\$237,500.00
														\$2,265,604.93

Video Revenue Projections

6th Quarter	Video Minutes Processed per Quarter				Video Hosting & Servicing				Video Hosting & Servicing				Master License Agreements	Total Revenue
	# of Clients	Avg. Minutes per video	Total Source Video Minutes	Total Encoded Minutes (4 formats)	Total GB Encoded	GB Hosted by iViewit	GB Hosted via Modern Files	GB Hosted via Modern Files	GB Hosted via Modern Files	GB Hosted via Broadband Files	# of Playbacks per video	Total GB Served		
Industry	1,000	8.00	1,200,000	4,800,000	2,992,000	883,433	883,433	883,433	128,000	3,765,866	7,000,000	14,765,866		
Music	8,000	8.00	9,600,000	38,400,000	6,788,000	2,066,666	2,066,666	2,066,666	288,000	8,143,332	16,800,000	34,563,332		
Magazines	8,000	8.00	2,400,000	9,600,000	1,411,000	430,000	430,000	430,000	59,333	1,729,333	3,600,000	7,200,000		
Studios	8,000	8.00	6,400,000	25,600,000	3,600,000	1,100,000	1,100,000	1,100,000	153,333	4,703,333	9,600,000	19,200,000		
Sports	8,000	8.00	18,432,000	73,728,000	9,911,644	2,974,999	2,974,999	2,974,999	413,333	11,854,999	24,433,333	49,866,666		
All Others	106,000	8.00	843,728,000	3,374,912,000	9,911,644	2,974,999	2,974,999	2,974,999	413,333	11,854,999	24,433,333	49,866,666		
Total														
Revenue														\$237,500.00
														\$237,500.00
														\$2,265,604.93

Revenue		\$1,774,680.00										\$64,728.27										\$516,360.15										\$237,500.00										\$2,623,268.42																			
7th Quarter		Number of GB for Video Hosting & Serving										Video Hosting & Serving										Video Hosting & Serving										Video Hosting & Serving										Master License Agreements										Total Revenue									
Industry	# of Clients	Avg. Minutes per video	# of Videos to Encode/client	Total Source Video Minutes	Total Encoded Minutes (4 formats)	Total GB Encoded	GB Hosted by Iviewit	GB Hosted via Modem	GB Hosted for GB Served via Modem	GB Hosted for GB Served via Broadband	GB Hosted for GB Served via Broadband	# of Playbacks per video	Total GB Served	Master License Agreements	Total Revenue																																														
Music	44.00	8.00	120.00	42,240.00	168,960.00	2,272.51	704.48	102.14	3,258.48	602.34	7,849.07	7,033.00	11,107.55																																																
Magazines	27.00	7.00	59.00	11,151.00	44,604.00	599.92	185.98	26.96	2,031.22	159.01	4,893.84	8,943.00	6,924.06																																																
Studios	7.00	9.00	146.00	9,198.00	36,792.00	494.85	151.40	22.24	362.80	131.16	873.92	4,792.00	1,236.72																																																
Sports	30.00	8.00	170.00	40,800.00	163,200.00	2,195.04	680.46	98.65	2,416.37	581.81	5,820.59	8,378.00	8,236.97																																																
All Others	36.00	8.00	99.00	28,512.00	114,048.00	1,533.95	475.52	68.94	1,365.03	406.58	3,288.10	3,944.00	4,653.11																																																
Total	144.00			527,604.00	527,604.00	1,533.95	2,199.84	1,365.03	9,743.57	1,849.07	21,849.07	32,158.43	88,546.19	\$387,500.00	\$3,977,574.79																																														
Revenue		\$2,623,268.42										\$64,728.27										\$516,360.15										\$237,500.00										\$2,623,268.42																			
8th Quarter		Number of GB for Video Hosting & Serving										Video Hosting & Serving										Video Hosting & Serving										Video Hosting & Serving										Master License Agreements										Total Revenue									
Industry	# of Clients	Avg. Minutes per video	# of Videos to Encode/client	Total Source Video Minutes	Total Encoded Minutes (4 formats)	Total GB Encoded	GB Hosted by Iviewit	GB Hosted via Modem	GB Hosted for GB Served via Modem	GB Hosted for GB Served via Broadband	GB Hosted for GB Served via Broadband	# of Playbacks per video	Total GB Served	Master License Agreements	Total Revenue																																														
Music	55.00	8.00	133.00	54,120.00	216,480.00	2,911.66	931.73	135.08	4,259.92	796.65	11,025.04	7,973.00	15,284.96																																																
Magazines	34.00	7.00	61.00	14,518.00	58,072.00	781.07	249.94	36.24	2,636.30	213.70	6,822.96	9,122.00	9,459.26																																																
Studios	8.00	9.00	151.00	10,872.00	43,488.00	584.91	187.17	27.14	427.36	160.04	1,026.04	4,888.00	1,533.39																																																
Sports	38.00	8.00	176.00	53,504.00	214,016.00	2,878.52	921.12	133.55	3,247.40	787.58	8,404.54	8,797.00	11,651.94																																																
All Others	54.00	8.00	102.00	44,064.00	176,256.00	2,370.64	758.61	109.98	2,110.38	648.62	5,461.85	4,023.00	7,572.23																																																
Total	189.00			\$3,541,560.00	\$3,541,560.00	\$132,327.28	3,068.57	3,068.57	\$132,327.28	1,849.07	\$1,849.07	\$1,849.07	\$1,849.07	\$425,000.00	\$5,283,924.95																																														
Revenue		\$5,283,924.95										\$132,327.28										\$425,000.00										\$1,849.07										\$5,283,924.95																			
9th Quarter		Number of GB for Video Hosting & Serving										Video Hosting & Serving										Video Hosting & Serving										Video Hosting & Serving										Master License Agreements										Total Revenue									
Industry	# of Clients	Avg. Minutes per video	# of Videos to Encode/client	Total Source Video Minutes	Total Encoded Minutes (4 formats)	Total GB Encoded	GB Hosted by Iviewit	GB Hosted via Modem	GB Hosted for GB Served via Modem	GB Hosted for GB Served via Broadband	GB Hosted for GB Served via Broadband	# of Playbacks per video	Total GB Served	Master License Agreements	Total Revenue																																														
Music	61.00	8.00	126.00	61,888.00	247,552.00	3,308.05	1,091.66	158.27	4,862.80	913.39	13,495.54	8,133.00	18,338.34																																																
Magazines	38.00	7.00	63.00	16,758.00	67,032.00	901.58	297.52	43.14	3,032.59	254.39	8,416.23	9,303.00	11,448.82																																																
Studios	9.00	9.00	155.00	12,555.00	50,220.00	675.46	222.90	32.32	494.83	190.58	1,373.27	4,986.00	1,868.10																																																
Sports	48.00	8.00	180.00	69,120.00	276,480.00	3,718.66	1,227.16	177.91	4,345.88	1,049.24	12,060.96	9,237.00	16,406.84																																																
All Others	60.00	8.00	105.00	50,400.00	201,600.00	2,711.52	894.80	129.73	2,413.59	765.07	6,698.36	4,104.00	9,111.95																																																
Total	216.00			\$4,206,420.00	\$4,206,420.00	\$158,639.12	3,734.84	3,734.84	\$158,639.12	1,849.07	\$1,849.07	\$1,849.07	\$1,849.07	\$975,000.00	\$6,800,016.75																																														
Revenue		\$6,800,016.75										\$158,639.12										\$975,000.00										\$1,849.07										\$6,800,016.75																			

Video Revenue Projections

10th Quarter		Video Minutes Processed per Quarter										Number of GB for Video Hosting & Servicing										Video Hosting & Servicing									
Industry	# of Clients	Avg. Minutes per Video		# of Videos to Encode/client	Total Source Video Minutes	Total Encoded Minutes (4 formats)	GB Hosted by iViewit		GB Hosted for GB Serv via Modem Files		GB Hosted for GB Serv via Broadband Files		Total GB Serv'd	# of Playbacks per video	Master License Agreements	Total Revenue															
		Video	Video				Modem Files	Broadband Files	Modem Files	Broadband Files	Modem Files	Broadband Files																			
Music	68.00	8.00	8.00	129.00	79,200.00	3,775.47	1,281.66	186.11	5,571.36	1,097.55	16,551.88	22,123.23	8,296.00																		
Magazines	42.00	7.00	7.00	65.00	19,110.00	1,028.12	349.56	50.68	3,445.07	298.88	10,214.92	11,680.00	9,492.00																		
Studios	10.00	9.00	159.00	14,310.00	57,240.00	769.88	261.76	37.95	565.08	223.81	1,678.80	2,413.88	5,086.00																		
Sports	56.00	8.00	184.00	82,432.00	329,728.00	4,434.84	1,507.85	218.61	5,364.12	1,289.24	15,936.19	21,306.31	9,699.00																		
All Others	60.00	8.00	108.00	57,024.00	228,096.00	3,067.89	1,043.08	151.23	2,729.17	891.86	8,108.05	10,837.22	4,187.00																		
Total	242.00	8.00	8.00	972.000	972,208.00	17,885.336	6,145.91	444.85	21,755.488	4,488.49	16,267.030	31,755,488.49	16,267.030	5,400,000.00	57,207,866.75																

11th Quarter		Video Minutes Processed per Quarter										Number of GB for Video Hosting & Servicing										Video Hosting & Servicing									
Industry	# of Clients	Avg. Minutes per Video		# of Videos to Encode/client	Total Source Video Minutes	Total Encoded Minutes (4 formats)	GB Hosted by iViewit		GB Hosted for GB Serv via Modem Files		GB Hosted for GB Serv via Broadband Files		Total GB Serv'd	# of Playbacks per video	Master License Agreements	Total Revenue															
		Video	Video				Modem Files	Broadband Files	Modem Files	Broadband Files	Modem Files	Broadband Files																			
Music	47.00	8.00	8.00	132.00	89,640.00	4,260.96	1,491.34	216.22	6,386.64	1,235.12	20,027.02	26,333.66	8,462.00																		
Magazines	35.00	7.00	67.00	67.00	88,172.00	1,185.91	415.07	60.18	1,936.72	354.89	12,564.72	16,521.44	5,188.00																		
Studios	11.00	9.00	163.00	163.00	64,548.00	868.17	303.86	44.05	637.98	259.81	2,025.94	2,663.93	5,188.00																		
Sports	65.00	8.00	188.00	88.00	97,760.00	5,259.49	1,840.82	266.88	6,578.03	1,573.94	20,888.81	27,466.84	10,184.00																		
All Others	271.00	8.00	111.00	111.00	64,824.00	3,487.53	1,220.64	176.97	3,108.25	1,043.67	9,818.62	12,936.87	4,271.00																		
Total	429.00	8.00	111.00	572.000	355,992,800.00	15,275.369	5,271.72	527.92	21,755.488	4,488.49	16,267.030	31,755,488.49	16,267.030	5,400,000.00	58,483,303.04																

12th Quarter		Video Minutes Processed per Quarter										Number of GB for Video Hosting & Servicing										Video Hosting & Servicing									
Industry	# of Clients	Avg. Minutes per Video		# of Videos to Encode/client	Total Source Video Minutes	Total Encoded Minutes (4 formats)	GB Hosted by iViewit		GB Hosted for GB Serv via Modem Files		GB Hosted for GB Serv via Broadband Files		Total GB Serv'd	# of Playbacks per video	Master License Agreements	Total Revenue															
		Video	Video				Modem Files	Broadband Files	Modem Files	Broadband Files	Modem Files	Broadband Files																			
Music	81.00	8.00	8.00	135.00	89,640.00	4,822.63	1,736.15	251.71	7,155.99	1,484.44	24,231.06	31,405.05	8,632.00																		
Magazines	51.00	8.00	69.00	69.00	28,704.00	1,544.28	555.94	80.60	5,127.94	475.34	17,343.04	22,510.98	9,876.00																		
Studios	13.00	9.00	167.00	167.00	78,156.00	1,051.20	378.43	54.87	772.81	323.57	2,619.73	3,392.55	5,292.00																		
Sports	75.00	8.00	192.00	192.00	115,200.00	6,197.76	2,231.19	323.48	8,008.67	1,907.71	27,148.70	35,156.97	10,694.00																		
All Others	304.00	8.00	114.00	114.00	73,872.00	3,974.31	1,430.75	207.43	3,523.96	1,223.32	11,945.76	15,469.72	4,357.00																		
Total	524.00	8.00	114.00	572.000	365,539,700.00	20,562.97	6,382.46	633.92	25,215.350	5,141.74	17,942.25	31,755,488.49	17,942.25	5,662,500.00	59,947,944.84																

Quarter	Encoding	Hosting	Servicing	Master Licensing	Total Revenue
First	\$11,800	\$1,069	\$7,295	\$50,000	\$90,165
Second	\$97,440	\$1,379	\$23,608	\$50,000	\$174,387
Third	\$265,049	\$0,242	\$69,049	\$50,000	\$393,291
Fourth	\$518,640	\$18,383	\$150,156	\$100,000	\$787,179
Fifth	\$1,519,560	\$54,669	\$453,876	\$217,500	\$2,265,605
Sixth	\$1,774,680	\$64,728	\$546,360	\$217,500	\$2,603,268
Seventh	\$2,638,020	\$97,436	\$854,619	\$387,500	\$3,973,575
Eighth	\$3,541,560	\$132,327	\$1,185,038	\$425,000	\$5,283,925
Ninth	\$4,206,420	\$158,839	\$1,459,758	\$975,000	\$6,800,017
Tenth	\$4,861,040	\$185,338	\$1,755,488	\$400,000	\$7,201,867
Eleventh	\$5,599,280	\$215,369	\$2,106,154	\$562,500	\$8,483,303
Twelfth	\$6,539,100	\$251,430	\$2,592,815	\$662,500	\$9,947,945
Year One	\$912,880	\$12,034	\$250,108	\$230,000	\$1,445,022
Year Two	\$9,473,820	\$149,161	\$3,039,893	\$1,287,500	\$14,150,373
Year Three	\$21,205,840	\$411,077	\$7,914,215	\$2,500,000	\$32,433,131

Video Assumptions

Basic Assumptions	
Video Processing (per minute)	\$5
Average # of Encoding Formats	4
Video Hosting (per GB)	\$50
Video Servicing (per GB)	\$30
Percentage Served of each video	70%
% of Clients Hosting Video with viewit	25%
First Year Annual Video Master License Fee (VML)	\$50,000
Renewal Year Annual Video Master License Fee (VML)	\$37,500
# of VML clients expressed as a % of Full-Service Clients	see table

Format	File Size (GB/min.)
avg modem file	0.000975
avg broadband file	0.00575
gig/min of video for 4 formats combin	0.01345
Modem File Size as a % of Total	14.50%
Broadband File Size as a % of Total	85.50%

Number of Client Accounts

Quarter	Music	Magazines	Studios	Sports	All Others	Total VML Clients	New VML Clients by Quarter	Total Client Accounts
1	1	1	1	1	2	1	1	7
2	150.00%	100.00%	25.00%	100.00%	100.00%	2	1	15
3	150.00%	100.00%	25.00%	100.00%	100.00%	3	1	30
4	75.00%	100.00%	25.00%	75.00%	5.00%	5	2	47
5	50.00%	50.00%	15.00%	75.00%	75.00%	11	6	78
6	50.00%	50.00%	15.00%	50.00%	50.00%	15	4	115
7	35.00%	50.00%	15.00%	50.00%	50.00%	22	7	166
8	25.00%	25.00%	10.00%	25.00%	50.00%	29	7	218
9	10.00%	10.00%	10.00%	25.00%	10.00%	44	15	260
10	10.00%	10.00%	10.00%	15.00%	10.00%	49	5	291
11	10.00%	10.00%	10.00%	15.00%	10.00%	55	6	326
12	10.00%	10.00%	10.00%	15.00%	10.00%	61	6	365

Override % when >0

Renewal VML Clients
0
0
0
0
1
1
1
2
4
6
7
7

Average Source Minutes per Video

Quarter	Music	Magazines	Studios	Sports	All Others
1	3	3	3	3	3
2	2.00%	2.00%	25.00%	2.00%	2.00%
3	2.00%	2.00%	15.00%	2.00%	2.00%
4	2.00%	2.00%	15.00%	2.00%	2.00%
5	2.00%	2.00%	15.00%	2.00%	2.00%
6	1.00%	0.00%	5.00%	2.00%	2.00%
7	0.00%	0.00%	5.00%	2.00%	2.00%
8	0.00%	0.00%	0.00%	0.00%	0.00%
9	0.00%	0.00%	0.00%	0.00%	0.00%
10	0.00%	0.00%	0.00%	0.00%	0.00%
11	0.00%	0.00%	0.00%	0.00%	0.00%
12	0.00%	2.00%	0.00%	0.00%	0.00%

Override % when >0

Video Assumptions

Average Number of Videos per Client											
Quarter	Music		Magazines		Studios		Sports		All Others		Total Videos
	Growth Factor	Avg. # of Videos per Client	Growth Factor	Avg. # of Videos per Client	Growth Factor	Avg. # of Videos per Client	Growth Factor	Avg. # of Videos per Client	Growth Factor	Avg. # of Videos per Client	
1	2.00%	95	5.00%	45	5.00%	110	5.00%	130	5.00%	75	455
2	5.00%	100	5.00%	48	5.00%	116	5.00%	137	5.00%	79	480
3	5.00%	105	5.00%	51	5.00%	122	5.00%	144	5.00%	83	505
4	3.00%	109	3.00%	53	5.00%	129	5.00%	152	5.00%	88	531
5	3.00%	113	3.00%	55	5.00%	136	5.00%	160	5.00%	93	557
6	3.00%	117	3.00%	57	3.00%	141	3.00%	165	3.00%	96	576
7	2.00%	120	3.00%	59	3.00%	146	3.00%	170	3.00%	99	594
8	2.00%	123	2.00%	61	3.00%	151	3.00%	176	3.00%	102	613
9	2.00%	126	2.00%	63	2.00%	155	2.00%	180	2.00%	105	629
10	2.00%	129	2.00%	65	2.00%	159	2.00%	184	2.00%	108	645
11	2.00%	132	2.00%	67	2.00%	163	2.00%	188	2.00%	111	661
12	2.00%	135	2.00%	69	2.00%	167	2.00%	192	2.00%	114	677

Override % when >0

Number of Playbacks per Video Hosted											
Quarter	Music		Magazines		Studios		Sports		All Others		Total Playbacks
	Growth Factor	# of Playbacks per Video	Growth Factor	# of Playbacks per Video	Growth Factor	# of Playbacks per Video	Growth Factor	# of Playbacks per Video	Growth Factor	# of Playbacks per Video	
1	5.00%	6,000	5.00%	7,000	5.00%	3,750	5.00%	6,250	2.00%	3,500	26,500
2	5.00%	6,300	5.00%	7,350	5.00%	3,938	5.00%	6,563	2.00%	3,570	27,721
3	5.00%	6,615	5.00%	7,718	5.00%	4,135	5.00%	6,892	2.00%	3,642	29,002
4	5.00%	6,946	5.00%	8,104	5.00%	4,342	5.00%	7,237	2.00%	3,715	30,344
5	3.50%	7,190	3.50%	8,388	3.50%	4,494	5.00%	7,599	2.00%	3,790	31,461
6	3.50%	7,442	3.50%	8,682	3.50%	4,652	5.00%	7,979	2.00%	3,866	32,621
7	3.50%	7,703	3.00%	8,943	3.00%	4,792	5.00%	8,378	2.00%	3,944	33,760
8	3.50%	7,973	2.00%	9,122	2.00%	4,888	5.00%	8,797	2.00%	4,023	34,803
9	2.00%	8,133	2.00%	9,305	2.00%	4,986	5.00%	9,237	2.00%	4,104	35,765
10	2.00%	8,296	2.00%	9,492	2.00%	5,086	5.00%	9,699	2.00%	4,187	36,760
11	2.00%	8,462	2.00%	9,682	2.00%	5,188	5.00%	10,184	2.00%	4,271	37,787
12	2.00%	8,632	2.00%	9,876	2.00%	5,292	5.00%	10,694	2.00%	4,357	38,851

Override % when >0

# of Full-Service Clients		expressed as a % of Full-Service Clients	
Year	of Clients	Year	of Clients
1	10.00%	1	10.00%
2	10.00%	2	10.00%
3	10.00%	3	10.00%
4	10.00%	4	10.00%
5	15.00%	5	15.00%
6	15.00%	6	15.00%
7	15.00%	7	15.00%
8	15.00%	8	15.00%
9	20.00%	9	20.00%
10	20.00%	10	20.00%
11	20.00%	11	20.00%
12	20.00%	12	20.00%

% of Clients Hosting with		Quarterly Increase		% of Clients	
Quarter	of Clients	Quarter	of Clients	Quarter	of Clients
1	25.00%	1	1.00%	1	25.00%
2	26.00%	2	1.00%	2	26.00%
3	27.00%	3	1.00%	3	27.00%
4	28.00%	4	1.00%	4	28.00%
5	29.00%	5	1.00%	5	29.00%
6	30.00%	6	1.00%	6	30.00%
7	31.00%	7	1.00%	7	31.00%
8	32.00%	8	1.00%	8	32.00%
9	33.00%	9	1.00%	9	33.00%
10	34.00%	10	1.00%	10	34.00%
11	35.00%	11	1.00%	11	35.00%
12	36.00%	12	1.00%	12	36.00%

Bandwidth Costs			
Quarter	Discount	Hosting Charge	Servicing Charge
1	\$50.00	\$30.00	\$29.40
2	\$49.00	\$29.40	\$28.81
3	\$48.02	\$28.81	\$28.24
4	\$47.06	\$28.24	\$27.67
5	\$46.12	\$27.67	\$27.12
6	\$45.20	\$27.12	\$26.58
7	\$44.29	\$26.58	\$26.04
8	\$43.41	\$26.04	\$25.52
9	\$42.54	\$25.52	\$25.01
10	\$41.69	\$25.01	\$24.51
11	\$40.85	\$24.51	\$24.02
12	\$40.04	\$24.02	\$23.54

Broadband vs. Modem Servicing Ratio			
Quarter	Modem Speed Total Serviced	Broadband Speed Total Serviced	Percentage of Total Serviced
1	80.00%	20.00%	20.00%
2	78.50%	21.50%	21.50%
3	77.00%	23.00%	23.00%
4	75.50%	24.50%	24.50%
5	74.00%	26.00%	26.00%
6	72.50%	27.50%	27.50%
7	71.00%	29.00%	29.00%
8	69.50%	30.50%	30.50%
9	68.00%	32.00%	32.00%
10	66.50%	33.50%	33.50%
11	65.00%	35.00%	35.00%
12	63.50%	36.50%	36.50%

Revenue Projections - Imaging

Industry	Image Processing				Image Hosting & Serving				Master License Agreements	Total Revenue
	Total Clients (Annual License Fee)	Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband		
Collectibles/Auctions	1.00	1.00	15,000	7.50	1.50	120.00	6.00	120.00	100.00	240.00
Magazines	1.00	1.00	900	0.45	0.09	36.00	0.36	36.00	500.00	72.00
Retail	1.00	1.00	200	0.10	0.02	4.80	0.08	4.80	300.00	9.60
Healthcare B2B Education	1.00	1.00	15,000	7.50	1.50	84.00	6.00	84.00	70.00	168.00
Modeling	1.00	1.00	600	0.30	0.06	2.88	0.24	2.88	60.00	5.76
All Others	1.00	1.00	300	0.15	0.03	2.88	0.12	2.88	120.00	5.76
Total	7.00	7.00	32,000	16.00	3.15	259.64	12.60	284.45	105.00	501.12
Revenue (ex Resorts & Hotels)	\$6,000	\$15,000	\$96,000	\$0						\$15,555
Resorts & Hotel Revenue	\$7,800	\$7,800	\$96,000	\$0						\$447
Total Revenue	\$6,000	\$22,800	\$96,000	\$0						\$15,982
Total Hosting & Serving for Hotels & Resorts: \$15,982										

Industry	Image Processing				Image Hosting & Serving				Master License Agreements	Total Revenue
	Total Clients (Annual License Fee)	Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband		
Collectibles/Auctions	2.00	1.00	15,750	15.75	3.15	259.64	12.60	284.45	105.00	544.08
Magazines	3.00	2.00	945	1.42	0.28	116.84	1.13	128.00	525.00	244.84
Retail	2.00	1.00	210	0.21	0.04	10.39	0.17	11.38	315.00	21.76
Healthcare B2B Education	2.00	1.00	15,750	15.75	3.15	182.98	12.60	200.47	74.00	383.45
Modeling	2.00	1.00	630	0.63	0.13	6.23	0.50	6.83	63.00	13.06
All Others	3.00	2.00	315	0.47	0.09	9.35	0.38	10.24	126.00	19.59
Total	17.00	10.00	33,600	34.23	8.27	706.75	33.08	844.43	111.00	1,551.18
Revenue (ex Resorts & Hotels)	\$14,000	\$20,000	\$100,800	\$0						\$37,270
Resorts & Hotel Revenue	\$15,600	\$15,600	\$100,800	\$0						\$1,341
Total Revenue	\$14,000	\$33,600	\$100,800	\$0						\$38,611
Total Hosting & Serving for Hotels & Resorts: \$38,611										

Industry	Image Processing				Image Hosting & Serving				Master License Agreements	Total Revenue
	Total Clients (Annual License Fee)	Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband		
Collectibles/Auctions	5.00	3.00	16,538	41.35	8.27	706.75	33.08	844.43	111.00	1,551.18
Magazines	6.00	3.00	993	2.98	0.60	253.24	2.38	302.57	552.00	555.81
Retail	4.00	2.00	221	0.44	0.09	22.53	0.35	26.92	331.00	49.45
Healthcare B2B Education	4.00	2.00	16,538	33.08	6.62	397.31	26.46	474.71	78.00	872.02
Modeling	4.00	2.00	662	1.32	0.26	13.66	1.06	16.32	67.00	29.98
All Others	8.00	5.00	331	1.32	0.26	27.12	1.06	32.40	133.00	59.52
Total	37.00	20.00	35,283	80.49	15.63	1,380.54	62.51	1,791.96	117.00	3,172.51
Revenue (ex Resorts & Hotels)	\$31,000	\$42,500	\$105,849	\$0						\$92,829
Resorts & Hotel Revenue	\$23,400	\$23,400	\$105,849	\$0						\$2,682
Total Revenue	\$31,000	\$65,900	\$105,849	\$0						\$95,511
Total Hosting & Serving for Hotels & Resorts: \$95,511										

Industry	Image Processing				Image Hosting & Serving				Master License Agreements	Total Revenue
	Total Clients (Annual License Fee)	Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband		
Collectibles/Auctions	9.00	4.00	17,365	78.14	15.63	1,380.54	62.51	1,791.96	117.00	3,172.51
Magazines	11.00	5.00	1,043	5.74	1.15	502.40	4.59	632.13	580.00	1,154.53
Retail	7.00	3.00	233	0.82	0.16	42.85	0.65	55.62	348.00	98.48
Healthcare B2B Education	7.00	3.00	17,365	60.78	12.16	752.55	48.62	976.82	82.00	1,729.36
Modeling	6.00	2.00	696	2.09	0.42	22.39	1.67	29.06	71.00	51.44
All Others	14.00	6.00	348	2.44	0.49	51.50	1.95	66.84	140.00	118.34
Total	65.00	28.00	37,050	150.00	15.63	2,138.84	117.00	2,814.86	140.00	6,324.66
Revenue (ex Resorts & Hotels)	\$54,000	\$57,500	\$111,150	\$0						\$184,534
Resorts & Hotel Revenue	\$39,000	\$39,000	\$111,150	\$0						\$4,917
Total Revenue	\$54,000	\$96,500	\$111,150	\$0						\$189,451
Total Hosting & Serving for Hotels & Resorts: \$189,451										

Revenue Projections - Imaging

5th Quarter	Image Processing				Image Hosting & Servicing				Master License Agreements	Total Revenue
	Total Clients (Annual License Fee)	Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband		
Industry	16,000	7,000	18,234	145,877	29,117	2,633,866	116,770	3,701,651	6,335,511	
Collectibles/Auctions	17,000	6,000	1,096	9,132	1,866	828,644	7,451	1,164,577	601,000	
Magazines	13,000	5,000	245	1,599	0,320	85,088	1,277	119,588	361,000	
Retail	12,000	5,000	18,234	109,400	21,888	1,376,310	87,520	1,934,266	3,310,577	
Healthcare B2B Education	8,000	2,000	731	2,922	0,580	32,020	2,344	45,011	77,003	
Modeling	23,000	9,000	366	4,211	0,840	90,333	3,377	126,944	217,277	
All Others	20,000	9,000		273,332					145,000	
Hotels & Resorts	109,000	44,000	38,906	\$0					12,138,255	\$387,500
Total	\$89,000	\$87,500	\$116,718	\$0					\$347,074	\$387,500
Revenue (ex Resorts & Hotels)	\$89,000	\$70,200	\$116,718	\$0					\$8,940	\$387,500
Resorts & Hotel Revenue	\$89,000	\$157,700	\$116,718	\$0					\$356,014	\$387,500
Total Revenue										\$1,106,932

6th Quarter	Image Processing				Image Hosting & Servicing				Master License Agreements	Total Revenue
	Total Clients (Annual License Fee)	Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband		
Industry	22,000	6,000	18,782	206,600	41,332	3,804,588	165,288	5,772,466	9,577,004	
Collectibles/Auctions	22,000	5,000	1,129	12,422	2,488	1,121,877	9,944	1,702,115	623,000	
Magazines	20,000	7,000	253	2,533	0,511	137,200	2,022	208,117	374,000	
Retail	18,000	6,000	18,782	169,004	33,811	2,156,920	135,233	3,272,588	5,429,500	
Healthcare B2B Education	10,000	2,000	753	3,777	0,755	42,004	3,101	63,788	105,820	
Modeling	33,000	10,000	377	6,222	1,244	136,200	4,988	206,655	342,844	
All Others	152,000	43,000	40,076	400,577					18,624,588	\$287,500
Hotels & Resorts	\$125,000	\$90,000	\$120,228	\$0					\$521,890	\$287,500
Revenue (ex Resorts & Hotels)	\$125,000	\$144,600	\$120,228	\$0					\$12,069	\$287,500
Resorts & Hotel Revenue	\$125,000	\$172,500	\$120,228	\$0					\$533,959	\$287,500
Total Revenue										\$1,211,287

7th Quarter	Image Processing				Image Hosting & Servicing				Master License Agreements	Total Revenue
	Total Clients (Annual License Fee)	Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband		
Industry	29,000	7,000	19,346	280,532	56,110	5,258,011	224,411	8,590,555	13,848,566	
Collectibles/Auctions	28,000	6,000	1,163	16,288	3,266	1,491,277	13,033	2,456,444	645,000	
Magazines	27,000	7,000	261	3,522	0,700	194,133	2,822	317,117	388,000	
Retail	27,000	9,000	19,346	261,117	52,233	3,411,944	208,944	5,574,433	8,986,377	
Healthcare B2B Education	12,000	2,000	776	4,666	0,933	52,899	3,722	86,422	139,311	
Modeling	42,000	9,000	389	8,117	1,633	182,122	6,544	297,555	479,677	
All Others	199,000	47,000	41,281	574,332					27,892,922	\$325,000
Hotels & Resorts	\$165,000	\$100,000	\$123,843	\$0					\$765,971	\$325,000
Revenue (ex Resorts & Hotels)	\$165,000	\$54,600	\$123,843	\$0					\$15,198	\$325,000
Resorts & Hotel Revenue	\$165,000	\$154,600	\$123,843	\$0					\$781,169	\$325,000
Total Revenue										\$1,549,612

8th Quarter	Image Processing				Image Hosting & Servicing				Master License Agreements	Total Revenue
	Total Clients (Annual License Fee)	Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband		
Industry	35,000	6,000	19,927	348,722	69,744	6,640,722	278,988	11,657,110	18,297,822	
Collectibles/Auctions	33,000	5,000	1,198	19,777	3,955	1,835,411	15,811	3,221,866	668,000	
Magazines	34,000	7,000	269	4,577	0,911	255,533	3,666	448,566	402,000	
Retail	37,000	10,000	19,927	368,655	73,733	4,919,266	294,922	8,635,255	13,554,500	
Healthcare B2B Education	14,000	2,000	800	5,600	1,122	64,611	4,488	113,411	178,022	
Modeling	53,000	11,000	401	10,633	2,133	240,766	8,500	422,644	663,400	
All Others	249,000	50,000	42,522	757,944					38,485,100	\$412,500
Hotels & Resorts	\$206,000	\$172,700	\$127,566	\$0					\$1,034,899	\$412,500
Revenue (ex Resorts & Hotels)	\$206,000	\$172,700	\$127,566	\$0					\$19,221	\$412,500
Resorts & Hotel Revenue	\$206,000	\$172,700	\$127,566	\$0					\$1,054,120	\$412,500
Total Revenue										\$1,972,886

Revenue Projections - Imaging

9th Quarter	Image Processing				Image Hosting & Servicing				Master License Agreements	Total Revenue
Total Clients (Annual License Fee)	Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband	Total GB Served		
Industry	16,000	7,000	18,234	145,877	29,117	2,633,866	116,770	3,701,651	6,335,511	
Collectibles/Auctions	17,000	6,000	1,096	9,132	1,866	828,644	7,451	1,164,577	601,000	
Magazines	13,000	5,000	245	1,599	0,320	85,088	1,277	119,588	361,000	
Retail	12,000	5,000	18,234	109,400	21,888	1,376,310	87,520	1,934,266	3,310,577	
Healthcare B2B Education	8,000	2,000	731	2,922	0,580	32,020	2,344	45,011	77,003	
Modeling	23,000	9,000	366	4,211	0,840	90,333	3,377	126,944	217,277	
All Others	20,000	9,000		273,332					145,000	
Hotels & Resorts	109,000	44,000	38,906	\$0					12,138,255	\$387,500
Total	\$89,000	\$87,500	\$116,718	\$0					\$347,074	\$387,500
Revenue (ex Resorts & Hotels)	\$89,000	\$70,200	\$116,718	\$0					\$8,940	\$387,500
Resorts & Hotel Revenue	\$89,000	\$157,700	\$116,718	\$0					\$356,014	\$387,500
Total Revenue										\$1,106,932

Industry	Total Clients (Annual License Fee)		Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband	# of Times Ea Image is Displayed	Total GB Served	Master License Agreements	Total Revenue
	License Fee	Quarter											
Collectibles/Auctions	19.00	4.00	20,525	400.24	80.05	7,620.52	14,345.51	320.19	14,345.51	140.00	21,965.03		
Magazines	38.00	5.00	1,234	23.45	4.69	2,174.66	4,093.48	18.76	4,093.48	682.00	6,268.15		
Retail	38.00	4.00	278	5.28	1.06	2,952.4	555.75	4.23	555.75	411.00	850.99		
Healthcare B2B Education	49.00	12.00	20,525	502.86	100.57	6,702.15	12,615.81	402.29	12,615.81	98.00	19,317.97		
Modeling	16.00	2.00	824	6.59	1.32	76.20	143.44	5.27	143.44	85.00	219.65		
All Others	59.00	6.00	414	12.21	2.44	277.38	522.13	9.77	522.13	167.00	799.51		
Hotels & Resorts	48.00	38.00	43,800	950.63							49,421.30	\$812,500	
Total	287.00	38.00	\$139,000	\$32,500	\$0	\$131,400					\$1,303,420	\$812,500	
Revenue (ex Resorts & Hotels)	\$139,000	\$32,500	\$131,400	\$0	\$0						\$1,324,876	\$812,500	\$2,629,276
Resorts & Hotel Revenue	\$239,000	\$121,500	\$131,400	\$0									
Total Revenue	\$271,000	\$221,000	\$262,800	\$0									\$2,549,421

Industry	Total Clients (Annual License Fee)		Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband	# of Times Ea Image is Displayed	Total GB Served	Master License Agreements	Total Revenue
	License Fee	Quarter											
Collectibles/Auctions	43.00	4.00	20,936	430.12	90.02	8,560.91	17,250.55	360.10	17,250.55	143.00	25,811.46		
Magazines	44.00	6.00	1,259	27.70	5.54	2,561.95	5,166.45	22.16	5,166.45	696.00	7,730.40		
Retail	42.00	4.00	284	5.96	1.19	333.15	671.31	4.77	671.31	420.00	1,004.46		
Healthcare B2B Education	59.00	10.00	20,936	617.61	123.52	8,214.24	16,552.00	494.09	16,552.00	100.00	24,766.24		
Modeling	18.00	2.00	841	7.57	1.51	87.58	176.48	6.06	176.48	87.00	264.06		
All Others	65.00	6.00	423	13.75	2.75	312.66	630.02	11.00	630.02	171.00	942.68		
Hotels & Resorts	51.00	5.00											
Total	324.00	37.00	44,679	1,122.71							60,519.30	\$437,500	
Revenue (ex Resorts & Hotels)	\$271,000	\$80,000	\$134,037	\$0							\$1,564,193	\$437,500	
Resorts & Hotel Revenue	\$271,000	\$119,000	\$134,037	\$0									
Total Revenue	\$271,000	\$119,000	\$134,037	\$0									\$2,549,421

Industry	Total Clients (Annual License Fee)		Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband	# of Times Ea Image is Displayed	Total GB Served	Master License Agreements	Total Revenue
	License Fee	Quarter											
Collectibles/Auctions	48.00	5.00	21,355	512.52	102.50	9,727.63	20,951.82	410.02	20,951.82	146.00	30,679.45		
Magazines	49.00	5.00	1,285	31.48	6.30	2,905.83	6,258.72	25.19	6,258.72	710.00	9,164.56		
Retail	47.00	5.00	290	6.82	1.16	380.07	818.62	5.45	818.62	429.00	1,198.69		
Healthcare B2B Education	68.00	9.00	21,355	726.07	145.21	9,627.69	20,736.56	580.86	20,736.56	102.00	30,164.25		
Modeling	19.00	1.00	858	8.15	1.63	94.31	203.12	6.52	203.12	89.00	297.43		
All Others	72.00	7.00	432	15.55	3.11	353.81	762.05	12.44	762.05	175.00	1,115.86		
Hotels & Resorts	59.00	6.00											
Total	362.00	38.00	45,575	1,300.59							72,820.23	\$437,500	
Revenue (ex Resorts & Hotels)	\$303,000	\$80,000	\$136,725	\$0							\$1,844,482	\$437,500	
Resorts & Hotel Revenue	\$303,000	\$126,800	\$136,725	\$0									
Total Revenue	\$303,000	\$126,800	\$136,725	\$0									\$2,874,880

Revenue Projections - Imaging

Industry	Image Processing				Image Hosting & Serving				Master License Agreements	Total Revenue
	Total Clients (Annual License Fee)	Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband		
Collectibles/Auctions	\$1,000	\$0	21,783	\$77,25	115,45	10,923,29	461,80	25,114,97	36,038,26	
Magazines	\$4,000	\$0	1,311	\$5,40	7,08	3,259,18	28,32	7,493,54	10,752,72	
Retail	\$2,000	\$0	296	\$7,70	1,54	428,10	6,16	984,29	1,412,39	
Healthcare B2B Education	\$5,000	\$0	21,783	\$16,86	163,37	10,892,86	653,49	25,045,00	35,937,87	
Modeling	\$20,000	\$0	876	\$8,76	1,75	101,24	7,01	232,77	334,01	
All Others	\$80,000	\$0	441	\$17,64	3,53	401,01	14,11	922,01	1,323,02	
Hotels & Resorts	\$65,000	\$0								
Total	\$399,000	\$37,000	46,490	\$1,463,61					\$5,798,27	\$475,000
Revenue (ex Resorts & Hotels)	\$334,000	\$77,500	\$139,470	\$0					\$2,129,742	\$475,000
Resorts & Hotel Revenue		\$46,800							\$29,055	
Total Revenue	\$334,000	\$124,300	\$139,470	\$0					\$2,158,797	\$475,000

Quarter	Setup Fee/Truct				Total Revenue
	Annual License Fee	Hotels & Resorts Packages	Image Processing	Master Licensing	
First	\$6,000	\$32,800	\$96,000	\$50,000	\$190,782
Second	\$14,000	\$35,600	\$100,800	\$50,000	\$239,011
Third	\$31,000	\$65,900	\$105,849	\$100,000	\$398,260
Fourth	\$54,000	\$96,500	\$111,150	\$150,000	\$601,101
Fifth	\$89,000	\$157,700	\$116,718	\$387,500	\$1,106,932
Sixth	\$125,000	\$144,600	\$120,228	\$287,500	\$1,211,287
Seventh	\$165,000	\$154,600	\$123,843	\$325,000	\$1,349,612
Eighth	\$206,000	\$172,700	\$127,566	\$412,500	\$1,972,886
Ninth	\$239,000	\$121,500	\$131,400	\$812,500	\$1,324,876
Tenth	\$271,000	\$119,000	\$134,037	\$437,500	\$2,549,421
Eleventh	\$303,000	\$126,800	\$136,725	\$437,500	\$1,870,855
Twelfth	\$334,000	\$124,300	\$139,470	\$475,000	\$2,158,797
Year One	\$105,000	\$220,800	\$413,799	\$330,000	\$1,429,154
Year Two	\$385,000	\$629,600	\$488,355	\$1,412,500	\$5,840,717
Year Three	\$1,147,000	\$491,600	\$541,632	\$2,162,500	\$11,285,144

12	2.00%	21,783	2.00%	1,311	2.00%	296	2.00%	21,783	2.00%	876	2.00%	441	n/a	n/a	46,490
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Imaging Assumptions

Average Number of Hits per Image															
Collectibles/Auctions			Magazines			Retail		Healthcare B2B Education		Modeling & Casting		All Others		Hotels & Resorts	
Quarter	Growth Factor	Avg. # of Hits per Image	Growth Factor	Avg. # of Hits per Image	Growth Factor	Avg. # of Hits per Image	Growth Factor	Avg. # of Hits per Image	Growth Factor	Avg. # of Hits per Image	Growth Factor	Avg. # of Hits per Image	Growth Factor	Avg. # of Hits per Image	
1		100		500		300		70		60		120		100	
2	5.00%	105	5.00%	525	5.00%	315	5.00%	74	5.00%	63	5.00%	126	5.00%	105	
3	5.00%	111	5.00%	552	5.00%	331	5.00%	78	5.00%	67	5.00%	133	5.00%	111	
4	5.00%	117	5.00%	580	5.00%	348	5.00%	82	5.00%	71	5.00%	140	5.00%	117	
5	3.50%	122	3.50%	601	3.50%	361	3.50%	85	3.50%	74	3.50%	145	3.50%	122	
6	3.50%	127	3.50%	623	3.50%	374	3.50%	88	3.50%	77	3.50%	151	3.50%	127	
7	3.50%	132	3.50%	645	3.50%	388	3.50%	92	3.50%	80	3.50%	157	3.50%	132	
8	3.50%	137	3.50%	668	3.50%	402	3.50%	96	3.50%	83	3.50%	163	3.50%	137	
9	2.00%	140	2.00%	682	2.00%	411	2.00%	98	2.00%	85	2.00%	167	2.00%	140	
10	2.00%	143	2.00%	696	2.00%	420	2.00%	100	2.00%	87	2.00%	171	2.00%	143	
11	2.00%	146	2.00%	710	2.00%	429	2.00%	102	2.00%	89	2.00%	175	2.00%	146	
12	2.00%	149	2.00%	725	2.00%	438	2.00%	105	2.00%	91	2.00%	179	2.00%	149	

Override % when >0

# of IML clients expressed as a % of Full-Service Clients	
Year	% of Clients
1	10.00%
2	10.00%
3	10.00%
4	10.00%
5	12.00%
6	12.00%
7	12.00%
8	12.00%
9	14.00%
10	14.00%
11	14.00%
12	14.00%

Bandwidth Costs			
Quarter	Quarterly Discount	Quarterly Hosting Charge	Quarterly Serving Charge
1		\$0.00	\$31.00
2	2.00%	\$0.00	\$30.38
3	2.00%	\$0.00	\$29.77
4	2.00%	\$0.00	\$29.18
5	2.00%	\$0.00	\$28.59
6	2.00%	\$0.00	\$28.02
7	2.00%	\$0.00	\$27.46
8	2.00%	\$0.00	\$26.91
9	2.00%	\$0.00	\$26.37
10	2.00%	\$0.00	\$25.85
11	2.00%	\$0.00	\$25.33
12	2.00%	\$0.00	\$24.82

Broadband vs. Modem Serving Ratio		
Modem Size	Broadband Size	
Percentage of Total Served	Percentage of Total Served	
1	80.00%	20.00%
2	78.50%	21.50%
3	77.00%	23.00%
4	75.50%	24.50%
5	74.00%	26.00%
6	72.50%	27.50%
7	71.00%	29.00%
8	69.50%	30.50%
9	68.00%	32.00%
10	66.50%	33.50%
11	65.00%	35.00%
12	63.50%	36.50%

Production Labor

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Total
Salanes	\$26,250.00	\$26,250.00	\$26,250.00	\$26,250.00	\$26,250.00	\$26,250.00	\$26,250.00	\$26,250.00	\$26,250.00	\$26,250.00	\$26,250.00	\$26,250.00	\$353,500.00
VP Operations	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$248,250.00
Production Manager	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$165,000.00
Data Manager LA	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$243,000.00
Data Manager NY	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$224,250.00
Data Manager CH	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$204,000.00
Network Manager	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$137,500.00
Production 1	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$98,000.00
Production 2	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$98,000.00
Production 3	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$98,000.00
Production 4	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$98,000.00
Production 5	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$98,000.00
Production 6	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$98,000.00
Production 7	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$98,000.00
Production 8	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$98,000.00
Production 9	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$98,000.00
Production 10	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$98,000.00
Production 11	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$98,000.00
Production Supervisor	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$198,000.00
Production 12	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$98,000.00
Production 13	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$98,000.00
Production 14	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$98,000.00
Production 15	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$98,000.00
Production 16	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$98,000.00
Production 17	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$98,000.00
Production 18	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$98,000.00
Production 19	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$98,000.00
Production 20	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$98,000.00
Production Supervisor - 2	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$198,000.00
Production 21	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$198,000.00
Production 22	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$198,000.00
Production 23	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$198,000.00
Production 24	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$198,000.00
Production 25-50	\$12,750.00	\$12,750.00	\$12,750.00	\$12,750.00	\$12,750.00	\$12,750.00	\$12,750.00	\$12,750.00	\$12,750.00	\$12,750.00	\$12,750.00	\$12,750.00	\$158,500.00
Production Supervisor - 3	\$12,750.00	\$12,750.00	\$12,750.00	\$12,750.00	\$12,750.00	\$12,750.00	\$12,750.00	\$12,750.00	\$12,750.00	\$12,750.00	\$12,750.00	\$12,750.00	\$158,500.00
Production 51-75	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$137,500.00
Hardware Tech	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$137,500.00
Programmer Java	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$137,500.00
Quality Manager	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$137,500.00
Research Tools	\$21,000.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,000.00	\$252,000.00
Occupancy & Utilities	\$12,738.29	\$12,985.71	\$13,091.79	\$13,208.46	\$13,404.31	\$13,545.49	\$13,700.79	\$13,871.62	\$14,030.89	\$14,190.89	\$14,357.59	\$14,524.97	\$172,370.74
Occupancy & Utilities	\$12,738.29	\$12,985.71	\$13,091.79	\$13,208.46	\$13,404.31	\$13,545.49	\$13,700.79	\$13,871.62	\$14,030.89	\$14,190.89	\$14,357.59	\$14,524.97	\$172,370.74
Occupancy & Utilities	\$12,738.29	\$12,985.71	\$13,091.79	\$13,208.46	\$13,404.31	\$13,545.49	\$13,700.79	\$13,871.62	\$14,030.89	\$14,190.89	\$14,357.59	\$14,524.97	\$172,370.74
Image operator	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$137,500.00
Image operator	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$137,500.00
Capital Equipment **	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$180,000.00
Contract Work	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$720,000.00
Photo Contract Services	\$4,000.00	\$8,000.00	\$16,000.00	\$28,000.00	\$52,000.00	\$80,000.00	\$120,000.00	\$152,000.00	\$192,000.00	\$224,000.00	\$260,000.00	\$300,000.00	\$1,436,000.00
Total	\$238,957.79	\$319,107.78	\$420,857.79	\$454,974.50	\$597,410.31	\$625,801.49	\$803,950.79	\$1,114,871.62	\$1,406,499.28	\$1,679,062.68	\$1,804,017.43	\$1,845,767.65	\$11,312,279.14
less: Fixed Assets **	\$ (15,000.00)	\$ (15,000.00)	\$ (60,000.00)	\$ (40,000.00)	\$ (60,000.00)	\$ (40,000.00)	\$ (80,000.00)	\$ (200,000.00)	\$ (150,000.00)	#####	\$ (200,000.00)	\$ (200,000.00)	\$ (1,260,000.00)
add: Depreciation	\$4,950.00	\$3,712.50	\$9,900.00	\$3,300.00	\$19,800.00	\$9,900.00	\$13,200.00	\$16,500.00	\$49,500.00	\$49,500.00	\$33,000.00	\$16,500.00	\$ 229,762.50
Adjusted Total	\$228,907.79	\$307,820.29	\$370,757.79	\$418,274.50	\$557,210.31	\$595,701.49	\$737,150.79	\$931,371.62	\$1,305,999.28	\$1,528,562.68	\$1,637,017.43	\$1,662,267.65	\$10,282,041.64
Prod Network Support Total	\$127,100.00	\$138,532.50	\$86,975.00	\$170,702.50	\$342,210.00	\$309,575.00	\$390,095.00	\$307,210.00	\$711,070.00	\$605,902.50	\$679,930.00	\$671,515.00	\$ 4,540,817.50

Totals for Production costs

\$157,007.79 \$446,352.79 \$467,732.79 \$588,977.00 \$899,420.31 \$905,276.49 \$1,127,245.79 \$1,238,581.62 \$2,017,069.28 \$2,134,465.18 \$2,316,947.43 \$2,333,782.65

\$14,822,859.14

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Executive Summary

iviewit.com has two breakthrough technologies that have paved the way for full-screen, full-motion video and full screen high definition pictures and virtual environments. iviewit.com has been leading the Internet visualization industry in both imaging and streaming video since the first public demonstration of its technologies in 1998. Since that time iviewit.com has refined it's Patent Pending processes to transform these concepts into a deliverable and commercial solution. The result has changed the Internet experience.

Company

iviewit.com is engaged in the application of new visual technologies for the use of consumers to make their experience over the Internet dynamic and real. iviewit.com's mission is

- to license its video streaming and imaging technologies,
- to develop new markets and applications, and
- to build a platform for visual technologies.

iviewit.com believes that there is virtually unlimited growth opportunity for its proprietary visual Internet media. Once it has secured the next round of funding, iviewit.com will focus on aggressively licensing and producing its video streaming and imaging technologies to establish a branded leadership position for enhancing images viewed over the Internet.

Enabling Technologies

iviewit.com has developed two complimentary technologies to enhance videos and images delivered over the Internet. The first is a state-of-the-art, proprietary technology, enabling full screen, high quality streaming video to be viewed by any internet video player at amazingly low bandwidths, with increased quality and reduced file size. Broadband and modem users can see the streaming video with no appreciable download time required. The second digital imaging technology creates an opportunity for full screen still images and panoramas that can be magnified with minimal image distortion. iviewit.com has protected its enabling technologies by filing and securing eight Patent Pending applications for its video streaming and imaging technologies.

As illustrated in the following quote from the Industry Standard, the leading Internet news publications December 1999 issue, the Internet speed required for Television quality video would not be possible until the 700 kbps range. Iviewit.com technologies have bridged the gap.

"To date, broadcasting video online has been marred by long downloads and poor quality. Reducing the time it takes to transmit files usually means delivering a picture that appears jerky and out of synch

with the sound. Providing video that is comparable with television, on the other hand, typically requires large file sizes and long download times. Trying to squeeze television-quality video files into sizes that can be transmitted on the Internet has proved elusive...But right now, it transmits at over 700 kilobits per second, far higher than the 200 Kbps that would be optimal for delivering broadcasts over the Net.”

And from the November 1999 issue:

“Nowhere in the tech world have there been more unfulfilled promises than in the realm of next-generation television.”..”

Benefits of iviewit.com's Enabling Technologies

The benefits of iviewit.com's enabling technologies are as follows:

- it enhances the image quality of any video content streamed over the Internet regardless of which player is used to view the video
- it enhances the ability to view still images on the Internet by allowing for incredible zoom and panning by the user
- it allows high quality video streaming into the 56-220Kbps ranges, thus decreasing storage and transfer costs to content providers.

Products and Services Offered

iviewit.com intends to create a profitable, recurring stream of income by licensing the following products and performing the following services:

- Site Licensing for the Distribution of Product Processed by iviewit.com
- Image and Video Processing
- Web Hosting of Image and Video Content, Linked to a Client's Site
- Photographic and/or Video Recording Services
- Web Site Creation and Hosting

Market Penetration Strategy & Launch

iviewit.com has secured license agreements with Hyatt Hotel & Resorts, Great Expectations Dating Service and Kids Camps. In addition, iviewit.com is currently negotiating with major corporations such as @merican enterprise.com, 3Com, Playboy, Hollywood.com, Broadway.com, University of Florida, and CBS Sportsline.com. The response to the technologies and licensing cost has been very positive. While iviewit.com's enabling technologies are applicable across a wide spectrum of Business to Business (b2b) and Business to Consumer (b2c) Internet sites, iviewit.com will concentrate its early initiatives in the following areas: Advertising, Entertainment, Health Care, Hotel and Resorts, Luxury Items, Executive Search, Sports, Modeling, and Dating Services.

iviewit.com plans to highlight its video streaming enabling technologies with high profile websites and events. Current negotiations include opportunities with CBS Sportsline.com, Broadway.com and an Internet event called i.m. Nomad. The i.m.

Nomad event is an Internet mini-series consisting of 15 four-minute episodes starring internationally renowned supermodels Heidi Klum, Estella Warren and Rachel Roberts.

Management Team

iviewit.com has a strong, well-experienced and diversified management team, Board of Directors, Advisory Board and Consultants. The initial key management team includes a President, a CTO and a VP of Sales and Marketing. This team has extensive experience in technology, management and financial services. The Board of Directors and Advisory Board is equally well experienced with backgrounds in running large corporations, developing technologies, dealing with patent and business legal issues, financing start-up companies and preparing companies for an IPO.

Strategic Alliance with Real 3D®, Inc.

iviewit.com has signed a strategic partnership with **Real 3D®, Inc.** the premier supplier of 3D graphics technology in the world, holder of more than 40 patents in 3D visualization technology and strategically partnered with Lockheed Martin, Silicon Graphics and Intel. **Real 3D®, Inc.** is providing hosting, serving and technology enhancement services to iviewit.com.

Financial Summary

iviewit.com is seeking \$10 million in capital to expand its current operations. The funds will be used to expand the current management team and staff, promote and market the technologies, and support iviewit.com until its expected break-even in 20 months. Once break-even occurs, iviewit.com rapidly begins generating strong cash flow and gross margins topping fifty percent. At the end of FY Two, iviewit.com is projected to be licensing and supplying its video streaming technologies to over 200 customers and its imaging technologies to over 300 customers. Within two years, revenues are expected to achieve a rate of \$38 million per annum and a net margin of 33%.

Potential exit strategies for iviewit.com may include any one, or a combination, of the following activities: IPO, Partner with Another Company, Spin-off Technologies Application and/or Create Multiple Companies for Different Markets.

Company

Company Background

iviewit.com, Inc., located in Boca Raton, Florida, was formed in 1999 under the laws of the state of Delaware. iviewit.com was formed to research, develop, license and sell its proprietary Internet based visualization products and services to the vast growing e-commerce market. iviewit.com has developed state-of-the-art proprietary technologies enabling full screen, TV quality streaming video and digital imaging for the Internet. The streaming video can be seen by both broadband and modem users with no download time required. The digital imaging allows for full screen still images or panoramas that can be magnified with minimal image distortion. iviewit.com has protected its technologies by filing and securing eight Patent Pending applications for its video streaming and imaging

technologies. (Please see the section titled "Proprietary Technologies and Patents Pending" under the Product Description for more details).

Seed funding for iviewit.com was received in September '99 from Huizenga Holdings, Inc. Huizenga Holdings is controlled by H. Wayne Huizenga, a successful industrialist best known for starting Waste Management, Blockbuster Video, Auto Nation and owning major sports teams such as the NFL Miami Dolphins and NHL Florida Panthers. This seed funding allowed iviewit.com to start operations in its current location in 1999. Since that time iviewit.com has established a demonstration web site, initiated digital imaging production through a sub contract with Strategic Partner **Real 3D®, Inc.**, continued development of the iviewit.com video process and hired an initial sales staff. iviewit.com has refined its technologies for commercial exploitation and early sales contacts and contracts have confirmed the commercial value of iviewit.com's technologies. iviewit.com is now seeking financing to realize the potential of its products and technologies.

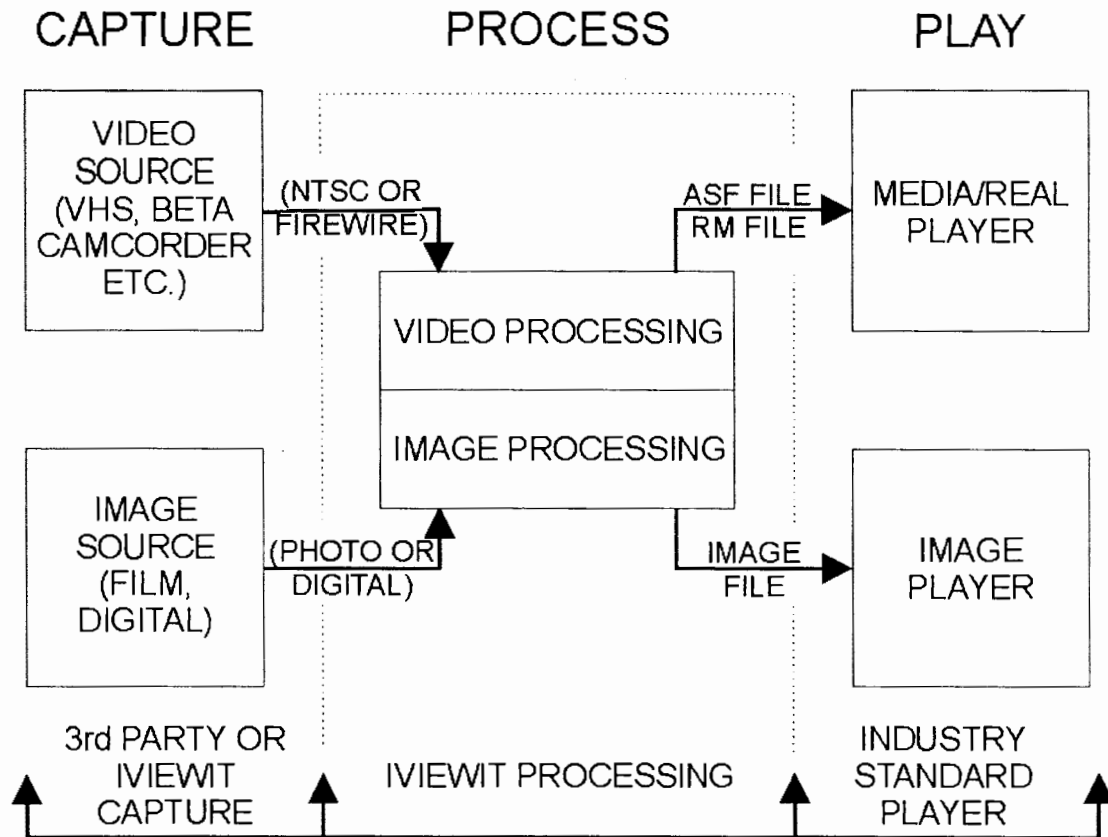
iviewit.com was initially formed as a limited liability company. For various business reasons, the Board authorized the conversion of iviewit.com into a 'C' corporation. This was accomplished on December 29, 1999. iviewit.com, Inc., a Delaware corporation ("iviewit.com"), is a wholly owned subsidiary of iviewit Technologies, Inc., also a Delaware corporation ("Technologies") and is the operating company for the iviewit entities. Technologies, a majority owned subsidiary of iviewit Holdings, Inc., a Delaware corporation ("Holdings"), owns or controls all of the patents, trademarks, copyrights, trade secrets and all of the other proprietary intellectual property. Technologies, in turn, has entered into a license agreement with iviewit.com whereby iviewit.com has the right to sublicense and exploit Technologies' intellectual property to and with third parties.

Products & Services Description

Processes

iviewit.com's impressive visual media products are the result of several years of development focused on the entire process of image/video delivery over the Internet. Care has been taken to be platform agnostic to preserve the broadest possible range of application. iviewit.com's suite of video and imaging technologies processes work across all industry platforms. Therefore, iviewit.com's video process will enhance both Microsoft's Media Player and Real Network's player. The result is industry leadership products without requiring special downloads or equipment. iviewit.com processes are proprietary and protected as Trade Secrets and Patent Pending applications filed with the U.S. patent office. While video and imaging are treated separately, it should be noted that they are complementary both from a process point of view and from a customer perspective. Many potential customers have both requirements such as the resort and hotel industry and the health care industry. iviewit.com views the combination of these products as an integral part of its sales portfolio.

IVIEWIT VISUAL MEDIA PROCESSING



Video Streaming

Streaming video is the most exciting form of content distribution over the Internet and has challenged the industry since the inception several years ago. Current processing techniques do not provide solutions for clear, full motion, full screen streaming video. iviewit.com has developed encoding solutions that do provide for full motion, full screen streaming video at speeds ranging from 56-125 Kbps and upward. These competitive advantages are at the core of iviewit.com's market opportunity.

Motion is a particular challenge because the image refresh process tends to produce highly distorted pictures. iviewit.com has succeeded in producing TV quality video over broadband networks and significantly improved narrowband speed results. These results are obtained while minimizing the bandwidth required for the streaming video event.

Internet ready streaming digital files are produced from virtually any source creating NTSC (US) compatible or IEEE 1394 firewire interfaces. Other modality such as PAL or SECAM can be accommodated. The output digital files are MS Media Player or RealNetworks RealPlayer compatible. Individual files are produced for either modem or broadband use and designed to minimize the amount of bandwidth required to produce the highest possible quality image. iviewit.com's processing times range from 3X to 6X

the playtime of the video depending upon the length of the video and the output file. The proprietary process is extendable to include video acquisition. Even though this phase is not a pre-requisite, improvements in final video quality are attainable by using iviewit.com's *total video process*.

Digital Imaging

iviewit.com offers a wide range of "over the web" high quality, full screen imaging technologies. Images processed by iviewit.com can be viewed with zoomable and panoramic images of up to 360 degrees. Images produced by iviewit.com's proprietary process are identical in quality regardless of the end-user's Internet connection speed. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. Output file sizes typically range from 30KB to 400KB for a full 360-degree panorama. Source material may be conventional emulsion type film or digital. Special photographic techniques are employed to ensure the final quality of the process ("garbage in, garbage out"). Unlike conventional web-ready images that become severely distorted after magnification attempts of just 1-2 times, iviewit.com processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. **Real 3D®**, Inc. engineering teams have reviewed the imaging process and results, and the comment from their review was "superb" and "elegant".

These are the types of digital images that iviewit.com can create with its technologies:

- **Single shot** - A single photo frame. Used for simple flat scenes or objects with depth imaging.
- **Single shot Pan and Zoom** - A single photo frame with the ability to zoom into the picture for magnifications of up to 20X.
- **Quarter Pan and Zoom** - Typically 3 photo frames stitched together to provide a wide perspective and up to a 90 degree camera sweep angle. Used for small rooms or wide objects.
- **Half Pan and Zoom** - Typically 6 photo frames stitched together to provide up to a 180-degree panoramic camera sweep angle. Useful for panning a room from the center of a wall.
- **Three quarter Pan and Zoom** - Typically 10 photo frames stitched together to provide up to a 270-degree panoramic camera sweep angle. Used for a wide panorama or a large room taken from a corner or offset from the center.
- **Full Pan and Zoom** - Typically 13 - 16 photo frames stitched together to provide up to a 360-degree panoramic camera sweep angle. Used for a full outside panorama or a large room from the center of the room.

Proprietary Technologies and Patents Pending

iviewit.com has an extensive portfolio of proprietary technologies in the fields of image and video data processing as well as proprietary technologies for network delivery systems for delivering its proprietary image and video data and information from a network-based computer platform.

To date, iviewit.com currently holds eight Patent Pendings in the fields of image and video processing, image and video file transmission over a communication network, and video data processing and transmission in a communication network. iviewit.com is aggressively seeking to procure patent protection in the United States and abroad for its Patent Pending technologies.

iviewit.com has adopted a two-prong approach to building an extensive patent portfolio. iviewit.com plans to continue aggressively developing and seeking patent protection for its own proprietary technologies. iviewit.com will further seek to improve upon existing technologies as these technologies come to the market. While patent pending status does not, in itself, guarantee that a patent will ultimately be issued, or that an issued patent will not face a judicial challenge in the Courts or an administrative challenge in the U.S. Patent & Trademark Office, iviewit.com believes that the pending claims in its patent applications are well supported and will provide iviewit.com with broad patent protection. iviewit.com further believes that its proprietary technologies, and related trade secrets, provide it with a substantial competitive advantage.

Future Development

iviewit.com's goal is to maintain a leadership role in visual technologies and continued research and development will be deployed to this end. iviewit.com's product output will stress user friendliness, superior picture quality and effective presentation for the experience by the end user.

Extensions of the current technologies are planned to provide similar improvements in videoconferencing. Early testing has validated the feasibility of these extensions and funding will provide the resource necessary to complete the development work. It is estimated that a product could be ready to market within 6 – 9 months from funding. Also, a TV interface adapter, which allows a PC monitor output to be connected to a TV set, is currently available. Using a TV this way further enhances the quality of the video since a TV set is optimized for displaying video images. This has paved the way for a new era in Pay-Per View distribution across the Internet.

Products and Services

In order to provide its customers a full range of services to create and offer quality video and images over the Internet, iviewit.com offers the following products and services:

- ***Site Licensing for the Distribution of Product Processed by iviewit.com.*** Each site distributing iviewit.com visual media product must license the technologies. The licensing fee will be collected up front as an annual fee and there may be additional royalties due within each annual licensing period for expanded use of the product.
- ***Image and Video Processing.*** There is an option between basic processing and edited content processing for a higher quality output. Priority and standard time processing is provided. Priority processing guarantees a next day delivery via file transfer protocol to the customer or posted to the iviewit.com website. Standard delivery is within 5 working days.

- **Web Hosting of Image and Video Content, Linked to a Client's Site.** This service will be for content owners who do not have the server capacity to store or stream their content and will not be applicable to all clients. This is an extension of the current web site. Seamless linking is a well-established Internet technique and has been validated by iviewit.com testing with prospective customers. Since this is not a core part of its business model, iviewit.com is investigating the option of hosting services through strategic alliances.
- **Photographic or Video Recording Services.** iviewit.com has retained the services of a large number of professional photographers and video producers in order to handle customer requirements.

Web Site Creation and Hosting. Professional designer support is available through iviewit.com's subcontract with **Real 3D®, Inc.** and other web site specialists. This service is not expected to be a major part of iviewit.com's business.

Industry Analysis

Broadband Industry

The transmission of data intensive content over the Internet has been limited due to both technological and bandwidth constraints. However, the increasing availability of improved delivery systems, such as digital cable modems, T-1 lines, satellite delivery

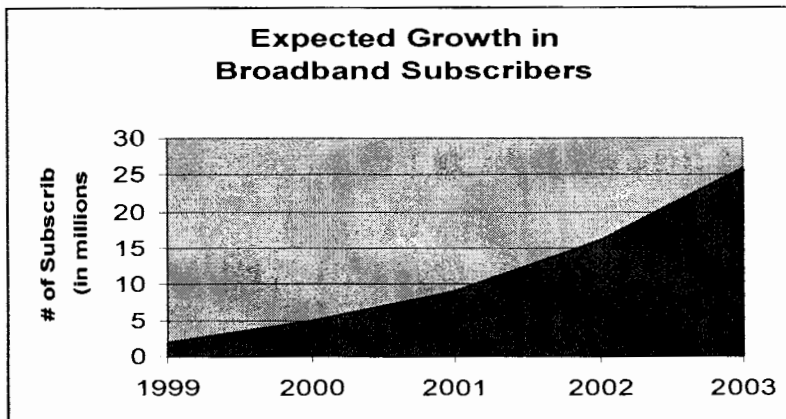


Chart 1.0 – Forrester Research and Broadband Intelligence

Even at these higher bandwidth speeds video quality remained poor until iviewit.com developed processes that allowed users at these speeds TV quality video streaming. These broadband systems typically allow sustained data transfer to the user of at least 256 kilobits per second, or approximately 5 times the access speed of the fastest standard narrowband modems.

US cable modem subscribers are expected to increase to 3.3 M in 2000 (up from 1.6M in 1999). DSL customers (serviced by phone companies) will nearly triple to 1.4M in 2000 from 500,000 in 1999.¹ And the total number of broadband subscribers by the end of Year 2002 and 2003 is expected to be 16 million and 26 million, respectively.²

¹ Broadband Intelligence July 1999

² Forrester Research

The broadband industry is drawing billions of dollars in capital investments to develop the necessary infrastructure for broadband content and delivery. The cable companies are massively marketing this existing user base to include broadband access. Similarly, the telephone companies are upgrading their lines to offer DSL access. In addition, major hardware manufacturing companies, application developers and content providers are racing to be the de facto standard for broadband delivery.

Streaming Media Industry

Multimedia streaming technology is bringing new levels of versatility, quality and simplicity to the creation and distribution of multimedia content over the Web. One measure of the growth in use of streaming media is the number of registered users posted by RealNetworks, a company that develops software used by broadcasters to stream multimedia content over the Internet. The first RealPlayer was released in 1995, and to date over 80 million unique users have been registered. The RealPlayer download rate now exceeds 175,000 per day, an increase of more than 270% since the beginning of 1997.

The emergence of rich multimedia capabilities, such as streaming audio and video, will continue to enhance the effectiveness of the Web as a mass communications medium and Intranets as a means to improve corporate communications. Content delivered through traditional media, such as television and radio, will be increasingly delivered over the Internet.

Digital Imaging Industry

Companies are increasingly using digital imaging to effectively promote their products on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat two-dimensional images offering a limited field of view. Technological innovations that enhance realism and interactivity and contribute to a viewer's retention to that web site will facilitate the success of e-commerce by leading to increased sales and advertising rates. Specifically, immersive imaging, or the ability to create the viewing perspective of being inside the image, is becoming increasingly popular with many web sites. However, image creation with many of the existing immersive technologies is labor intensive, produces poor visual quality and requires proprietary hardware and software. As a result, market acceptance of these technologies has been limited. Until iviewit's digital imaging process the users ability to zoom into a picture or virtual reality environment was limited due to pixel distortion.

In order for widespread adoption of immersive imaging by businesses and consumers to occur, new immersive technologies must offer the following benefits:

- Ease of creating and viewing an image
- East of distributing and sharing the image
- Portability of the capture device
- Cost effectiveness
- Use of standardized technology
- Platform independence

Management Team

- **Brian G. Utley, President** - Mr. Utley has been involved in the computer industry since 1955, 37 years of which were with IBM. He has been in senior management and executive positions since 1965 culminating in his responsibility as Vice President and General Manager of IBM Boca Raton with a work force of over 6,000 professionals. During his career he has been responsible for advanced technology product development on many fronts. In addition he was responsible for a number of IBM's overseas activities including product development, product management and market development. The most notable of which was the introduction of the IBM PC to Europe. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results.
- **Eliot I. Bernstein, Founder and Chief Technology Officer** - Mr. Bernstein, a graduate of University of Wisconsin in psychology with a minor in computer science, spent 15 years in a highly successful insurance career during which he created many innovative and effective computer based, multimedia marketing tools. These products remain in use today to service over \$1 billion of insurance business. In 1998, like many entrepreneurs, Eliot chose to risk everything to pursue his dream of creating high impact visual applications for the Internet and iviewit.com was born. He combined his passion for photography and video with a burning desire to see the Internet evolve from a text-based medium to a visual tool. As Chief Technology Officer Eliot oversees the development of all aspects of iviewit.com's imaging and video technologies. As the inventor behind the Patent Pending's in process at the US Patent Office Eliot continues to play a key role in the development of visualization technologies and is committed to insuring that iviewit.com maintains its leadership position in the industry.
- **Michael A. Reale, VP of Operations** – Mr. Reale, a graduated from Pace University, New York City with an MBA and attended special manufacturing management courses at Harvard Business School and Stanford University. Michael's experience includes 21 years with IBM in product manufacturing, distribution and data processing. He was Director of Manufacturing, Personal Computer Division and pioneered the introduction of high volume production into IBM. His experience lead him to Senior Vice President, SCI systems, Inc., President and COO, MGV Manufacturing and Chief Operating Officer, Boca Research, Inc. He brings to iviewit.com a wealth of experience in manging and directing all aspects of operations in businesses large and small.
- **James F. Armstrong, VP of Sales and Marketing** – Mr. Armstrong has owned and operated The Armstrong Group, Ltd. since 1982. The Armstrong Group is a financial planning, insurance consulting and sales firm targeting the corporate executive and

high net-worth markets. Jim also worked for Prudential Securities as the National Sales Manager for its Primary Client Services and Life Agency Divisions. In the Primary Client Services Division, Jim directed the sales effort for the company's retirement products, financial planning capabilities and central asset account. In the Life Agency Division, Jim was responsible for building the infrastructure for this start-up venture. He developed marketing materials, formulated policies and procedures, and recruited and supervised a national network of planning specialists. Jim's extensive knowledge of computer hardware and software applications have served him well in his previous positions and, together with his broad business experience, uniquely positions him for this leadership role with iviewit.com.

Although the current key management team's vast experience is a tremendous asset, iviewit.com understands that it needs to assemble a more diversified, highly qualified management team. Once funding is secure, iviewit.com intends to fill the following additional key positions within 60 days:

- Chief Financial Officer
- VP Manufacturingnow filled
- VP of Licensing

Board of Directors

- **Brian G. Utley, President**
- **Eliot I. Bernstein, Founder & CTO**
- **Donald G. Kane** – Mr. Kane is President of GDI, a privately held holding company that controls 4 business-to-business Internet companies. Prior to joining GDI, Don was a Managing Director in the Investment Banking Division of Goldman Sachs & Co. During his fourteen-year career at Goldman Sachs, Don created the firm's Midwest Financial Institutions practice and founded a Global Financial Institutions Technology Group. Don is a Board member and Vice Chairman of Sagence Systems, Inc., a GDI company and is a member of the Board of Versifi, Inc. and Ergo Systems. Don is an advisor to Signcast, Inc., Gryphon Holdings and Capita Technologies. He is a member of the Kellogg Graduate School of Management Advisory Board at Northwestern University and is a member of the Board of the Metropolitan YMCA of Chicago.
- **Simon L. Bernstein, Chairman of the Board** - Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over a billion in life premium sales. Mr. Bernstein's career in the life insurance industry began in 1965 when he became the top producer for Aetna Life and Casualty Company. He has

remained in the top 5% of life insurance sales agencies since that time. Mr. Bernstein supplied the initial “angel” investment for iviewit.com.

- **Gerald R. Lewin, Director** - Gerald Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. In 1981, Mr. Lewin joined Donald Goldstein to form Goldstein Lewin & Co., which currently is a leading a 50 man southeastern accounting firm. Mr. Lewin specializes in business consulting and is highly knowledgeable in many areas of accounting, tax and financial planning. Mr. Lewin is a member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.
- **Maurice R. Buchsbaum, Director** – Mr. Buchsbaum has engaged in corporate finance projects as a principal, advisor, consultant, officer, director or senior managing director for the past 27 years. As a partner or senior officer of several leading investment banks (including Drexel Burnham, Kidder Peabody and JW Genesis), he has worked in all aspects of corporate finance. He formed Emerald Capital Partners in early 1999, to provide strategic planning and banking advice to a myriad of small and medium sized American growth companies. He has engaged in numerous public and private transactions and activities that include seed capital, early stage financing, major and late stage strategic finance, restructuring and mergers/acquisitions ranging in size from \$1 million to \$700 million. His industry experience includes health care, technology, telecommunications, biotechnology, financial services, environmental, and airlines. He holds BS and MBA degrees with honors from Ohio State University, and was a fellow in the doctoral program at Northwestern University.

Strategic Partners & Investors

- ***Real 3D®, Inc.*** – iviewit.com is currently engaged in a strategic partnership with ***Real 3D®, Inc.***, a well-respected technology company that is owned by Lockheed Martin, Silicon Graphics Inc. and Intel, who is providing hosting, serving and technology enhancement services. ***Real 3D®, Inc.*** has participated in the technology evaluation phase of iviewit.com's proprietary Imaging and Video Streaming products. ***Real 3D®, Inc.*** has found iviewit.com's web-based products to offer an extraordinary high-resolution panoramic view capability that can have many uses in the e-commerce arena.
- **Huizenga Holdings, Inc.** - Huizenga Holdings Inc. through Investech Holdings, LLC is the founding equity partner of iviewit.com. Huizenga Holdings Inc. brings a strategic portfolio of Internet investments and businesses, which has helped fuel the expansion of iviewit.com's video and imaging technologies.

iviewit.com also has an Advisory Board, Legal Counsel and Business Consultants who bring an extensive knowledge base, business connections and experience to the development of iviewit.com. Please see “Attachment B – iviewit.com's Advisory Board, Legal Counsel and Consultants” for more details.

Market Opportunity & Penetration Strategy

Market Opportunity for Video Streaming

Streaming media is now the most widely used application after browsers and online programs like AOL on the Internet... and it is growing exponentially. Microsoft's Media Player, RealNetworks suite of players and Apple's Quick-Time Player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, *on demand*.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies mentioned above. iviewit.com's suite of technologies will positively affect and benefit all of these parties.

- **End Consumers** – For consumers who have a broadband pipe in their homes, streaming video is the “killer application.” The promise of rich visual content defines the reason for paying between \$40 - \$50 per month for the increased bandwidth. It means that consumers can *see* the entertainment, news, product commercials, infomercials and education videos they want at near TV quality. That promise will be maximized by the proliferation of content delivered through and with iviewit.com. The companies responsible for providing the infrastructure for broadband recognize the importance of promoting enabling technologies and driving media rich content to the web. Their paradigm has shifted to include content creation as a significant element of their overall strategy. Greater availability of quality content on the web will increase demand for the pipes necessary to view it. Similarly, the popularity of software applications that “play” the content files will increase dramatically as iviewit.com's technologies will enhance any media player operating on a broadband network and provide video quality full screen streaming media.
- **Business to Business (b2b) E-Commerce Sites** - For b2b e-commerce sites, iviewit.com's technologies will provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product manuals through iviewit.com's proprietary system, business e-commerce sites can leverage their video and image investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality visual experiences. Licensing these b2b sites will be a primary market focus for iviewit.com's technologies.
- **Intellectual Property Owners** - For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues etc., iviewit.com's technologies means that video streaming can finally become a revenue source. Most of these firms have already begun to stream

promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for the small screen, grainy content prevalent on the web today and the pipeline required for serving these files is expensive. iviewit.com's technologies provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and reducing the digital stream size required to serve them. These solutions are at the core of iviewit.com's competitive market advantage.

- **Digital Distributors** - For digital video distribution companies, iviewit.com's technology efficiency is extremely attractive because it minimizes the required file size, and therefore will decrease the cost of business.

In summary, the market potential for iviewit.com's technologies is enormous. iviewit.com will engage in a high profile launch campaign designed to build awareness for its technologies with all the key market influencers and then concentrate on a licensing program to populate its technologies among b2b and b2c Internet sites.

Market Opportunity for Digital Imaging

Companies are increasingly using digital imaging to promote their products and present information on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat and two-dimensional offering a limited field of view. The alternative, immersive imaging (the ability to create the viewing perspective of being inside the image), is becoming increasingly popular with many web sites, but is still labor intensive, requires proprietary hardware and severely distorts the image after magnification of 1-2 times.

In contrast, iviewit.com's technologies allow for high quality, full screen imaging with zoomable and panoramic images of up to 360 degrees with very high levels of zoomability. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. iviewit.com processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1.

Market Penetration

iviewit.com has already begun to sell its technologies to various corporations and is currently in negotiations with the following potential clients, names in Blue or hyperlinked have signed initial production contracts:

- | | |
|-------------------------------------|-------------------------|
| • CBS Sportsline.com | • <u>Hollywood.com</u> |
| • 3Com Corporation | • Playboy.com |
| • <u>Hyatt Hotels & Resorts</u> | • West Palm Beach Lexus |
| • Armstrong Blum Manufacturing | • <u>KidsCamp.com</u> |
| • Atlas Entertainment | • Lovemate.com |
| • Boca Resort & Beach Club | • Machineweb.com |

- | | |
|------------------------------------|---------------------------|
| • <u>Broadway.com</u> | • Thehealthnetwork.com |
| • <u>Centrack</u> | • University of Florida |
| • @merican enterprise.com | • Versifi |
| • Ezlinksgolf.com | • Webcasts.com |
| • Great Expectations/KISMET | • <u>J.M Lexus</u> |
| • | |

iviewit.com has identified various markets to target with its imaging and video streaming technologies. (Please see Attachment C titled “Potential Markets for iviewit.com’s Video & Imaging Technologies” for a list of target markets.)

Video streaming and still image enhancement are nascent markets and there are no benchmarks for pricing iviewit.com’s proprietary technology enhancements. Therefore, iviewit.com has based its licensing strategy and product penetration on the following information:

- iviewit.com’s contract negotiations with current clients
- iviewit.com’s understanding of what companies are willing to pay for these technologies, including the business economics of a given industry

iviewit.com has also based its pricing on the fact that there are currently no direct competitors to its technologies. However, as competition prevails and market conditions change, iviewit.com’s pricing will adjust accordingly.

iviewit.com realizes that the needs and budget for each customer and indeed across industries vary tremendously. In response to this, iviewit.com will need to specially craft a licensing contract with each customer. However, the following pricing strategy gives an overall projection of what customers on average will be charged for iviewit.com’s video streaming and imaging products and services.

Initial Market Introduction Strategy

iviewit.com has elected a two prong strategy to initially market its technologies. The first stage is to target high profile intellectual property owners and distributors, as clients, to encode their images and watermark those images with iviewit.com’s logo. Initial clients signed or in negotiation include CBS Sportsline, Hyatt Resorts & Hotels, Broadway.com and Playboy.com. The second stage will focus on acquiring the rights to encode marquee Internet Events, with world-renowned stars that will provide iviewit.com with significant branding opportunities. Properties in negotiation include i.m. Nomad.com, a made for Internet miniseries starring supermodels Heidi Klum, Estella Warren and Rachel Roberts. Additional launch initiatives include opportunities with Billy Joel, CSNY and The Dixie Chicks.

The Company is developing a marketing plan and detailed budget to attack the key business segments as identified in Attachment C. The elements of that plan include: (i) a national print media campaign targeting corporate decision makers for encoding images for commercial websites, (ii) a national b2b Public Relations campaign designed to build

awareness and demand for the iviewit.com imaging technologies targeting the streaming media, digital still imaging, and investment communities. (iii) a trade show plan specifying the number of shows the company must attend to promote its imaging technologies and an accompanying plan detailing how the company will effectively present its technologies at those shows (iv) sales collateral materials to support the sales force (v) a plan for the acquisition and exploitation of exclusive internet video events, like iMNomad, to highlight the companies technologies and turbo charge its public relations efforts and (vi) a plan and execution strategy to upgrade iviewit's web site to promote its technologies and support its customers.

The company has budgeted three million dollars in marketing expenditures to undertake these marketing activities. Iviewit.com has initiated a search for an advertising/new media agency and a public relations agency with demonstrated competence in the b2b technology space to assist the company in developing and implementing the marketing plan.

Pricing Model - Video Streaming

iviewit.com will require an annual license to process a video source into an iviewit.com file to be streamed over the Internet. The licensing fee will depend on the number of distributed servers that the customer uses for its web site. The rationale behind this is that the license fee should be greater if the technologies are being used and exploited by a larger number of users. And generally, web sites that have larger number of users require additional distributed servers. iviewit.com has decided to use distributed servers as a usage benchmark (instead of number of hits to the web site streaming the video) because of the ease in benchmarking the fee to clients.

iviewit.com will also charge a per minute fee for the processing of the video. Depending on the needs of the client, the processing of the video will vary greatly. For example, an advertising agency focused on optimizing 30 and 60 second spots will have vastly different requirements than a worldwide hotel chain with three to five minute infomercials on each property. Additionally, there are different levels of processing costs associated with the image quality required by the client. For a client that does not require frame by frame analysis of its video (i.e. a video segment on a local community college), the amount of labor to process the video is minimal and the cost will be approximately \$5 a minute to process. For clients who require editing for their video, iviewit.com will charge incremental fees priced to account for the time and labor involved.

Although not a core part of its business, iviewit.com will offer video hosting for those clients who need a complete video streaming solution. The monthly storage, database maintenance and serving fee will be based on the number of gigabytes hosted by iviewit.com. iviewit.com sees this pricing model as part of its overall plan to identify and "brand" itself as a total solution service-oriented business for its clients. iviewit.com will outsource this service with several partners according to the scope and scale of the client requirements.

The following outlines the approximate fees for licensing the technologies and video processing.

Video License Charges:		First year	Following years
	Video and image master server	\$25,000	\$22,500
	1st distributed server	\$5,000	\$4,500
	Additional distributed servers	\$2,500	\$2,250
Video Processing		\$/min.	
	Processing of VHS or S-VHS tape to video player format	\$5.00	\$5.35
	Processing of VHS or S-VHS tape to video player format with frame editing	\$40.00	\$42.80
Video Hosting, Monthly Charges		\$/GB/mo.	
	Storage and Data Base Maintenance	\$12.00	\$13.00
	Serving Fee	\$35.00	\$38.00

Pricing Model - Imaging

iviewit.com will require an annual license fee to process still images to a zoomable and/or panoramic iviewit.com digital image. The licensing fee will increase with additional distributed servers used by the customer.

In addition, if the client requires, iviewit.com will arrange for hosting of the images through its strategic alliance with MPI.net.

iviewit.com will offer a turnkey suite of services to its customers that include: capturing, processing and hosting the images. (Please see the section titled “Digital Imaging” under the Products and Services Description for details on the types of images iviewit.com can create.) In addition to the per image processing fee, iviewit.com will also charge a monthly fee for the number of images served..

The following outlines the approximate fees for licensing the imaging technologies, capturing, processing, serving and hosting.

Image License Charges:		First year	Following years
	Image only master server	\$1,800	\$1,620
	Distributed server	\$800	\$720
	Additional distributed server	\$400	\$360
Image Capture, Processing and Hosting:		Each	
	Single shot	\$68	
	Quarter Pan and Zoom	\$225	
	Half Pan and Zoom	\$435	
	Three quarter Pan and Zoom	\$655	
	Full Pan and Zoom	\$855	
Monthly Charge Schedule Based on Site Connections:		Rate \$	
	Schedule 1 - 1 to 4,999 hits	0.10	
	Schedule 2 - 5,000 to 9,999 hits	0.07	
	Schedule 3 - 10,000 to 24,999 hits	0.05	
	Schedule 4 - 25,000 + hits	0.03	
	Monthly minimum of \$150		

Competitive Analysis

Streaming Media

There are several competitors to iviewit.com in the streaming media industry. iviewit.com's proprietary video processes put iviewit at

Industry	Company Examples
Software Providers	MS Media Player, RealNetworks
Digital Distributors	InterVU, iBeam, Akamai
Content Providers	Broadcast.com, AtomFilms.com, Den.net
Encoding Services	Loudeye, Sonic Foundry, VideoDome.com

Table 1.0 – Potential Strategic Partners or Licensees

the highest quality found on the web. Software providers, digital distributors, content providers, and encoding services will all benefit from the increased use of iviewit.com's technologies and may be potential strategic partners or licensees.

Although a truly different product than iviewit.com's, encoding services can be considered indirect competitors. The following describes the key companies in the encoding industry:

- **Loudeye** – Loudeye, originally encoding.com, is a provider of digitizing and encoding services and offers streaming media production. Loudeye's Optimized Encoding Process™ and proprietary software offers media compression. The company's partnership with platform developers such as Microsoft, Apple and RealNetworks allows codec support.
- **Sonic Foundry** - Sonic Foundry, Inc. is a provider of PC-based software products that enable users to easily work with and edit digital media. Sonic Foundry's products are used for multimedia and Internet applications, music and audio post-production, broadcast production, and digital content creation. Sonic Foundry's products and services offer media consumers the ability to capture and create media, edit the content, and deliver the information via fixed media or electronic distribution. The

company's products are designed to run under both the Windows and Windows NT operating systems.

- **VideoDome.com** – VideoDome.com is a provider of Internet video OnDemand solutions. Using its InstaStream system, the company enables the conversion of standard video footage to video on demand. VideoDome.com offers broadcasting media either via a listing in the VideoDome OnDemand Channel Directory, a company's own existing web site, or a dedicated channel with various features including chat, user subscription options and client customization.

Digital Imaging

There are various companies offering digital imaging services over the Internet. However, as described in the Products and Services section, iviewit.com offers full screen higher quality images that are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. None of iviewit.com's competitors can provide this type of quality imaging.

The following describes the major competitors to iviewit.com in the digital imaging industry:

- **Interactive Pictures Corporation (IPIX)** - The company's IPIX technology is used by travel and hospitality (Marriott), publishing (New York Times), real estate (ERA), education (National Geographic), and entertainment (Disney) companies to enhance multimedia content, interactivity, and e-commerce on Web sites. Its Wizard software (sold on a per-use basis) converts two photos taken with a digital camera into one IPIX image.
- **Bamboo.com** – Bamboo.com (recently acquired by IPIX) provides virtual tours of real estate properties for sale or rent. The tours allow users to view the inside and outside of properties, panning right and left or zooming.. Bamboo.com charges real estate agents a one-time fee to videotape a property, convert the videotape into a virtual tour, and distribute the tour through Internet sites or e-mail. The company markets its tours through agreements with Web sites such as REALTOR.com and HomeBuilder.com.
- **Live Picture / MGI Software** – Live Picture, Inc. (LPI) provides Internet imaging and is the inventor of zoomable images for the Internet. Live Picture develops and sells a complete suite of image servers and Internet and consumer applications based on its Zoom image technology. .
- **Ulead Systems, Inc.** – Ulead Systems was founded in 1989 to develop and market Windows-based imaging and video production tools that allow people to share their ideas and memories. The company provides imaging, video, 3D and Internet software for business and personal communication.

Comparative Review of Major Imaging Features

Company	Full Screen	Singe Image Zoom	Image Distortion	Pixelation Upon Zoom	Panning Ability
Bamboo	No	Yes	Yes	Yes	Up, Dn, Lt, Rt
IPIX	No	Yes	Yes	Yes	Lt, Rt
MGI Software	No	Yes	Yes	Yes	Up, Dn, Lt, Rt
Ulead	No	No	Yes	Yes	Up, Dn, Lt, Rt
iviewit.com	Yes	Yes	No	No	Up, Dn, Lt, Rt

Table 2.0 – Imaging Competitor Analysis

Timeline

Date	Milestone
Second Quarter 2000	Close the Next Traunch of Financing
	Secure Content for Launch of iviewit.com
	Begin Viral Marketing Campaign of iviewit.com
February – April, 2000	Hire Additional Key Executives and Staff
April 15, 2000	Official Marketing Campaign Begins
	Sales & Marketing Team Approaching Potential Clients
May 15, 2000	Official Launch of iviewit.com
Late 2000	Close the Follow-on Traunch of Financing, if necessary
Mid - Late 2001	Exit Strategies May Include: IPO, Partnering with Another Company, Spin-off of Technologies Application and/or Create Multiple Companies for Different Markets

Financial Summary

iviewit.com is seeking \$10 million in capital to grow its current operations. The funds will be used to expand the management team, build the production capacity and promote and market the company and its offerings. The projected financial statements can be found in appendix A.

The substantial investment in marketing and promotion is expected to impact business volumes that will result in a break-even in 20 months. By the end of the second year iviewit.com is expected to have an NEBT of \$7.9M.

Exit Strategy

During the second year there are several exit strategy opportunities that could be employed to give investors liquidity if desired. The following are possible examples:

- Initial Public Offering
- Strategic Sale to a Value Added Buyer
- Spin-off
- Create multiple companies

Attachment A – Financial Projections



"viewit
Financials.xls"

If you would like a hard copy of the financials, please run the above Excel executable and print the financials. Once you open the excel workbook, click FILE then PRINT PREVIEW and then click the printer icon.

Attachment B – iviewit.com’s Advisory Board, Legal Counsel and Consultants

Advisory Board

- **Alan J. Epstein** –Mr. Epstein is a shareholder of the entertainment law firm Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C., which is based in Los Angeles. Alan’s law practice consists of advising Internet companies on various issues pertaining to the entertainment industry, including the creation, licensing and acquisition of content, the introduction and negotiation of strategic partner relationships, and various other matters relating to the convergence of technology and content. Alan also advises his firm’s numerous celebrity clients on the exploitation and protection of their name and likeness rights and content on the Internet, as well as merchandising, endorsement and sponsorship deals. Prior to entering the UCLA School of Law, Alan was a certified public accountant at Deloitte Haskins & Sells in Dallas, Texas.
- **Christopher C. Wheeler** – Mr. Wheeler is a member of Proskauer Rose LLP’s Corporate Department and a partner in the Florida office, has a versatile transactional practice. Chris has had extensive experience in real estate and corporate law, institutional lending and workouts, administrative law and industrial revenue bond financing. Moreover, he serves as a strategist and counselor to many clients in handling their other legal and business matters. Chris is well-versed in general corporate law as well as mergers and acquisitions and securities matters. He has guided companies from startup through initial private placements to public offerings. A graduate of Hamilton College and Cornell Law School, Chris was a member of the managing Board of Editor of the Cornell Law Review.
- **Kenneth Rubenstein** –Mr. Rubenstein is a partner at Proskauer Rose LLP law firm and is the patent attorney for iviewit.com. He is a registered patent attorney before the U.S. Patent & Trademark Office. Ken counsels his clients with respect to the validity and infringement of competitors’ patents, as well as prosecutes patent applications. For the past several years Ken has worked on the formation of a patent pool, for MPEG-2 technology, involving large consumer electronics and entertainment companies. Ken is also a former member of the legal staff at Bell Laboratories. Ken received his law degree, cum laude, from New York Law School, and his Ph.D. in physics from the Massachusetts Institute of Technology where he also graduated with a B.S. Degree.
- **Raymond A. Joao** – Mr. Joao heads Meltzer, Lippe’s Intellectual Property Rights, Patents, Copyrights and Trademarks Group. He specializes in intellectual property law, including patents, trademarks and copyrights, as well as technology transfers. He has extensive experience in patent prosecution, licensing and litigation in the fields of computer software and hardware, communication networks, electronics, the

Internet, financial modeling and mechanical devices. Ray is adept at dealing with high technology companies and other companies looking to patent not only their physical inventions but new business methods as well.

Legal Counsel

- **Proskauer Rose LLP** - *is* one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients through the United States and around the world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.
- **Armstrong Hirsch Jackoway Tyerman & Wertheimer** – *is* one of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting in developing the business structure of iviewit.com.
- **Foley & Lardner** - *is* one of the oldest and largest law firms in America. Founded in 1842, the firm now has more than 750 attorneys in 14 offices, following the February 1996 merger with Weissburg and Aronson, Inc. Yet our real strength lies not in age of the firm or in the number of attorneys, but in our commitment to provide the highest possible degree of excellence in client service.
Foley & Lardner's over 100 highly skilled intellectual property attorneys constitute one of the largest and most sophisticated technology groups in a general-practice law firm in the United States. As one of the few large national law firms with a global intellectual property law group that is fully integrated into a multi-disciplinary business law practice, we are able to provide a complete spectrum of legal representation and counseling to our clients. Our broad-based representations in litigation, regulatory affairs and general business counseling are complemented by one of the world's most highly trained staffs, which includes 65 engineering and advanced technical degrees, including 12 Ph.D.'s.
The list of clients using Foley & Lardner to fill their intellectual property legal needs ranges from small entrepreneurial start-up companies to large international and multinational corporations. Foley & Lardner attorneys provide solutions and successfully serve the needs of clients around the world, including those situated in the United States, Canada, Latin America, the European Union, Eastern Europe, the Middle East, and the Pacific Rim.

Consultants

- **Daniel Socolof** – Mr. Socolof is the founder and CEO of the Marketing Entertainment Group of America, Inc., an entertainment production and marketing company. Mr. Socolof has created national branding events and campaigns for the world's largest and most important intellectual property owners including MTV, Pepsi, Nintendo, Proctor and Gamble, SC Johnson, Anheuser-Busch, Apple Computers, Philips Electronics and many other top tier entertainment and global consumer products organizations.
- **Mike McGinley** – Mr. McGinley is the founder of SRO Consultants, a Los Angeles based international consulting firm that provides a wide range of business and management services for the entertainment and music industry. SRO Consultants provides strategic consulting and marketing/cross promotions to industry leaders such as Microsoft, DirecTV, Best Buy, InterVU and Music Choice. Additionally, SRO handles tour accounting for more than 100 major clients including Sting, Neil Young, the Rolling Stones and Tom Petty. Mr. McGinley is a Certified Public Accountant who received his B.A. in business administration from the University of Montana.
- **Eric M. Chen** - Mr. Chen is an honors graduate from Harvard University. He has spent much of his career in the field of investment banking where he has specialized in advising, financing and guiding the growth strategies of many health care companies. His areas of expertise include biotechnology, medical diagnostics, and new emerging drug technology and delivery systems. He has served as an analyst, Senior Vice President and Managing Director for several Wall Street firms including Furman Selz, Hambrecht & Quist, Fechter Detwiler and Southeast Research Partners. Much of his activities have focused upon early stage growth companies in both the public and private sectors. He has analyzed companies in a wide variety of industries, which include vision care, telecommunications, computer storage, software applications and data management. Mr. Chen is the President of Emerald Capital Partners, which he co-founded with Mr. Buchsbaum, since his departure from Southeast Research Partners in early 1999.

Attachment C – Potential Markets for iviewit.com’s Video & Imaging Technologies

Market	Video	Image
3D Graphics		X
Advertising	X	X
Art		X
Automotive *	X	X
Commercial Properties	X	X
Computer Games	X	X
Entertainment *	X	X
Executive Search, Modeling, Casting & Dating Services *	X	X
Health Care *	X	X
High value Auctions	X	X
High-end Luxury (e.g. Boats & Airplanes)	X	X
Hotels & Resorts *	X	X
Image Libraries		X
Medical Imaging *	X	X
Military & Government	X	X
Residential Properties	X	X
Software Applications	X	
Sports *	X	X

* iviewit.com is actively pursuing these markets



*A Leader in New Audio/Visual Technologies for
Tomorrow's Markets*

Business Plan

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DATE: 05/16/2000

ISSUED TO: London Pacific – William Duff

Confidentiality Statement

This business plan and the exhibits hereto (collectively, the “Plan”) have been submitted on a confidential basis for use by a limited number of sophisticated investors or acquirers (the “Investor(s)”) solely for, and should be used only in connection with, an Investor’s consideration of an investment in iviewit.com, Inc., (the “Company”). Its use for any other purpose is not authorized. Any reproduction or distribution of the Plan, or re-transmittal of its contents, in whole or in part, without the prior written consent of the Company is prohibited.

This Plan contains certain information of a highly confidential nature, including projections by the Company’s management of the Company’s performance and other material of a forward-looking nature. The receipt of this Plan constitutes an agreement on the part of the recipient hereof to maintain the confidentiality of the information contained herein or any additional information subsequently delivered in connection herewith. Investors who accept this Plan or become aware of the information contained herein must understand and comply with the extensive restrictions imposed by Federal and State securities laws upon their ability to disclose information contained herein to others or to participate in or otherwise effect or facilitate any transaction relating to any securities of the Company. Investors who cannot comply fully with such restrictions should not review the information contained herein and should immediately return this Plan to the Company.

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Executive Summary

iviewit.com has two breakthrough technologies that have paved the way for full-screen, full-motion video and full screen high definition pictures and virtual environments. iviewit.com has been leading the Internet visualization industry in both imaging and streaming video since the first public demonstration of its technologies in 1998. Since that time iviewit.com has refined it's Patent Pending processes to transform these concepts into a deliverable and commercial solution. The result has changed the Internet experience.

Company

iviewit.com is engaged in the application of new visual technologies for the use of consumers to make their experience over the Internet dynamic and real. iviewit.com's mission is

- to license its video streaming and imaging technologies,
- to develop new markets and applications, and
- to build a platform for visual technologies.

iviewit.com believes that there is virtually unlimited growth opportunity for its proprietary visual Internet media. Once it has secured the next round of funding, iviewit.com will focus on aggressively licensing and producing its video streaming and imaging technologies to establish a branded leadership position for enhancing images viewed over the Internet.

Enabling Technologies

iviewit.com has developed two complimentary technologies to enhance videos and images delivered over the Internet. The first is a state-of-the-art, proprietary technology, enabling full screen, high quality streaming video to be viewed by any internet video player at amazingly low bandwidths, with increased quality and reduced file size. Broadband and modem users can see the streaming video with no appreciable download time required. The second digital imaging technology creates an opportunity for full screen still images and panoramas that can be magnified with minimal image distortion. iviewit.com has protected its enabling technologies by filing and securing eight Patent Pending applications for its video streaming and imaging technologies.

As illustrated in the following quote from the Industry Standard, the leading Internet news publications December 1999 issue, the Internet speed required for Television quality video would not be possible until the 700 kbps range. Iviewit.com technologies have bridged the gap.

"To date, broadcasting video online has been marred by long downloads and poor quality. Reducing the time it takes to transmit files usually means delivering a picture that appears jerky and out of synch

with the sound. Providing video that is comparable with television, on the other hand, typically requires large file sizes and long download times. Trying to squeeze television-quality video files into sizes that can be transmitted on the Internet has proved elusive...But right now, it transmits at over 700 kilobits per second, far higher than the 200 Kbps that would be optimal for delivering broadcasts over the Net.”

And from the November 1999 issue:

“Nowhere in the tech world have there been more unfulfilled promises than in the realm of next-generation television.”..”

Benefits of iviewit.com's Enabling Technologies

The benefits of iviewit.com's enabling technologies are as follows:

- it enhances the image quality of any video content streamed over the Internet regardless of which player is used to view the video
- it enhances the ability to view still images on the Internet by allowing for incredible zoom and panning by the user
- it allows high quality video streaming into the 56-220Kbps ranges, thus decreasing storage and transfer costs to content providers.

Products and Services Offered

iviewit.com intends to create a profitable, recurring stream of income by licensing the following products and performing the following services:

- Site Licensing for the Distribution of Product Processed by iviewit.com
- Image and Video Processing
- Web Hosting of Image and Video Content, Linked to a Client's Site
- Photographic and/or Video Recording Services
- Web Site Creation and Hosting

Market Penetration Strategy & Launch

iviewit.com has secured license agreements with Hyatt Hotel & Resorts, Great Expectations Dating Service and Kids Camps. In addition, iviewit.com is currently negotiating with major corporations such as @merican enterprise.com, 3Com, Playboy, Hollywood.com, Broadway.com, University of Florida, and CBS Sportsline.com. The response to the technologies and licensing cost has been very positive. While iviewit.com's enabling technologies are applicable across a wide spectrum of Business to Business (b2b) and Business to Consumer (b2c) Internet sites, iviewit.com will concentrate its early initiatives in the following areas: Advertising, Entertainment, Health Care, Hotel and Resorts, Luxury Items, Executive Search, Sports, Modeling, and Dating Services.

iviewit.com plans to highlight its video streaming enabling technologies with high profile websites and events. Current negotiations include opportunities with CBS Sportsline.com, Broadway.com and an Internet event called i.m. Nomad. The i.m.

Nomad event is an Internet mini-series consisting of 15 four-minute episodes starring internationally renowned supermodels Heidi Klum, Estella Warren and Rachel Roberts.

Management Team

iviewit.com has a strong, well-experienced and diversified management team, Board of Directors, Advisory Board and Consultants. The initial key management team includes a President, a CTO and a VP of Sales and Marketing. This team has extensive experience in technology, management and financial services. The Board of Directors and Advisory Board is equally well experienced with backgrounds in running large corporations, developing technologies, dealing with patent and business legal issues, financing start-up companies and preparing companies for an IPO.

Strategic Alliance with Real 3D®, Inc.

iviewit.com has signed a strategic partnership with **Real 3D®, Inc.** the premier supplier of 3D graphics technology in the world, holder of more than 40 patents in 3D visualization technology and strategically partnered with Lockheed Martin, Silicon Graphics and Intel. **Real 3D®, Inc.** is providing hosting, serving and technology enhancement services to iviewit.com.

Financial Summary

iviewit.com is seeking \$10 million in capital to expand its current operations. The funds will be used to expand the current management team and staff, promote and market the technologies, and support iviewit.com until its expected break-even in 20 months. Once break-even occurs, iviewit.com rapidly begins generating strong cash flow and gross margins topping fifty percent. At the end of FY Two, iviewit.com is projected to be licensing and supplying its video streaming technologies to over 200 customers and its imaging technologies to over 300 customers. Within two years, revenues are expected to achieve a rate of \$38 million per annum and a net margin of 33%.

Potential exit strategies for iviewit.com may include any one, or a combination, of the following activities: IPO, Partner with Another Company, Spin-off Technologies Application and/or Create Multiple Companies for Different Markets.

Company

Company Background

iviewit.com, Inc., located in Boca Raton, Florida, was formed in 1999 under the laws of the state of Delaware. iviewit.com was formed to research, develop, license and sell its proprietary Internet based visualization products and services to the vast growing e-commerce market. iviewit.com has developed state-of-the-art proprietary technologies enabling full screen, TV quality streaming video and digital imaging for the Internet. The streaming video can be seen by both broadband and modem users with no download time required. The digital imaging allows for full screen still images or panoramas that can be magnified with minimal image distortion. iviewit.com has protected its technologies by filing and securing eight Patent Pending applications for its video streaming and imaging

technologies. (Please see the section titled “Proprietary Technologies and Patents Pending” under the Product Description for more details).

Seed funding for iviewit.com was received in September '99 from Huizenga Holdings, Inc. Huizenga Holdings is controlled by H. Wayne Huizenga, a successful industrialist best known for starting Waste Management, Blockbuster Video, Auto Nation and owning major sports teams such as the NFL Miami Dolphins and NHL Florida Panthers. This seed funding allowed iviewit.com to start operations in its current location in 1999. Since that time iviewit.com has established a demonstration web site, initiated digital imaging production through a sub contract with Strategic Partner **Real 3D®, Inc.**, continued development of the iviewit.com video process and hired an initial sales staff. iviewit.com has refined its technologies for commercial exploitation and early sales contacts and contracts have confirmed the commercial value of iviewit.com's technologies. iviewit.com is now seeking financing to realize the potential of its products and technologies.

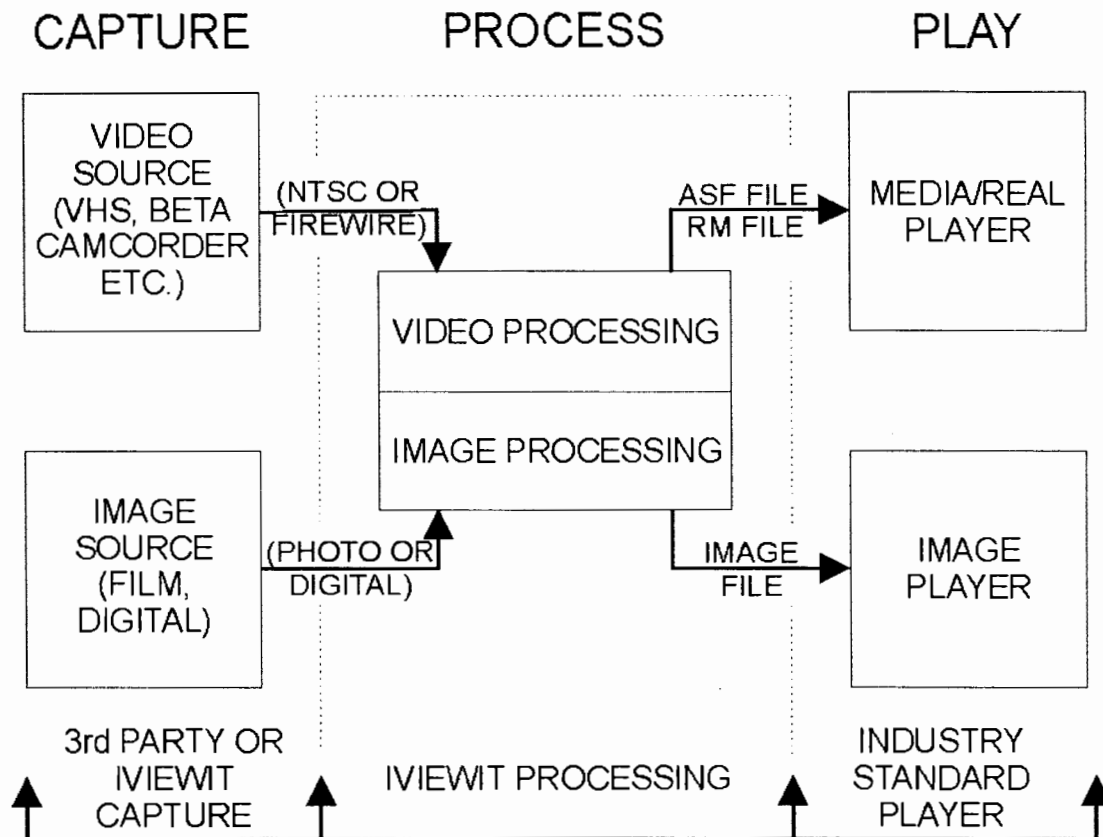
iviewit.com was initially formed as a limited liability company. For various business reasons, the Board authorized the conversion of iviewit.com into a 'C' corporation. This was accomplished on December 29, 1999. iviewit.com, Inc., a Delaware corporation (“iviewit.com”), is a wholly owned subsidiary of iviewit Technologies, Inc., also a Delaware corporation (“Technologies”) and is the operating company for the iviewit entities. Technologies, a majority owned subsidiary of iviewit Holdings, Inc., a Delaware corporation (“Holdings”), owns or controls all of the patents, trademarks, copyrights, trade secrets and all of the other proprietary intellectual property. Technologies, in turn, has entered into a license agreement with iviewit.com whereby iviewit.com has the right to sublicense and exploit Technologies' intellectual property to and with third parties.

Products & Services Description

Processes

iviewit.com's impressive visual media products are the result of several years of development focused on the entire process of image/video delivery over the Internet. Care has been taken to be platform agnostic to preserve the broadest possible range of application. iviewit.com's suite of video and imaging technologies processes work across all industry platforms. Therefore, iviewit.com's video process will enhance both Microsoft's Media Player and Real Network's player. The result is industry leadership products without requiring special downloads or equipment. iviewit.com processes are proprietary and protected as Trade Secrets and Patent Pending applications filed with the U.S. patent office. While video and imaging are treated separately, it should be noted that they are complementary both from a process point of view and from a customer perspective. Many potential customers have both requirements such as the resort and hotel industry and the health care industry. iviewit.com views the combination of these products as an integral part of its sales portfolio.

IVIEWIT VISUAL MEDIA PROCESSING



Video Streaming

Streaming video is the most exciting form of content distribution over the Internet and has challenged the industry since the inception several years ago. Current processing techniques do not provide solutions for clear, full motion, full screen streaming video. iviewit.com has developed encoding solutions that do provide for full motion, full screen streaming video at speeds ranging from 56-125 Kbps and upward. These competitive advantages are at the core of iviewit.com's market opportunity.

Motion is a particular challenge because the image refresh process tends to produce highly distorted pictures. iviewit.com has succeeded in producing TV quality video over broadband networks and significantly improved narrowband speed results. These results are obtained while minimizing the bandwidth required for the streaming video event.

Internet ready streaming digital files are produced from virtually any source creating NTSC (US) compatible or IEEE 1394 firewire interfaces. Other modality such as PAL or SECAM can be accommodated. The output digital files are MS Media Player or RealNetworks RealPlayer compatible. Individual files are produced for either modem or broadband use and designed to minimize the amount of bandwidth required to produce the highest possible quality image. iviewit.com's processing times range from 3X to 6X

the playtime of the video depending upon the length of the video and the output file. The proprietary process is extendable to include video acquisition. Even though this phase is not a pre-requisite, improvements in final video quality are attainable by using iviewit.com's *total video process*.

Digital Imaging

iviewit.com offers a wide range of "over the web" high quality, full screen imaging technologies. Images processed by iviewit.com can be viewed with zoomable and panoramic images of up to 360 degrees. Images produced by iviewit.com's proprietary process are identical in quality regardless of the end-user's Internet connection speed. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. Output file sizes typically range from 30KB to 400KB for a full 360-degree panorama. Source material may be conventional emulsion type film or digital. Special photographic techniques are employed to ensure the final quality of the process ("garbage in, garbage out"). Unlike conventional web-ready images that become severely distorted after magnification attempts of just 1-2 times, iviewit.com processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. **Real 3D®, Inc.** engineering teams have reviewed the imaging process and results, and the comment from their review was "superb" and "elegant".

These are the types of digital images that iviewit.com can create with its technologies:

- **Single shot** - A single photo frame. Used for simple flat scenes or objects with depth imaging.
- **Single shot Pan and Zoom** – A single photo frame with the ability to zoom into the picture for magnifications of up to 20X.
- **Quarter Pan and Zoom** - Typically 3 photo frames stitched together to provide a wide perspective and up to a 90 degree camera sweep angle. Used for small rooms or wide objects.
- **Half Pan and Zoom** - Typically 6 photo frames stitched together to provide up to a 180-degree panoramic camera sweep angle. Useful for panning a room from the center of a wall.
- **Three quarter Pan and Zoom** - Typically 10 photo frames stitched together to provide up to a 270-degree panoramic camera sweep angle. Used for a wide panorama or a large room taken from a corner or offset from the center.
- **Full Pan and Zoom** - Typically 13 - 16 photo frames stitched together to provide up to a 360-degree panoramic camera sweep angle. Used for a full outside panorama or a large room from the center of the room.

Proprietary Technologies and Patents Pending

iviewit.com has an extensive portfolio of proprietary technologies in the fields of image and video data processing as well as proprietary technologies for network delivery systems for delivering its proprietary image and video data and information from a network-based computer platform.

To date, iviewit.com currently holds eight Patent Pending in the fields of image and video processing, image and video file transmission over a communication network, and video data processing and transmission in a communication network. iviewit.com is aggressively seeking to procure patent protection in the United States and abroad for its Patent Pending technologies.

iviewit.com has adopted a two-prong approach to building an extensive patent portfolio. iviewit.com plans to continue aggressively developing and seeking patent protection for its own proprietary technologies. iviewit.com will further seek to improve upon existing technologies as these technologies come to the market. While patent pending status does not, in itself, guarantee that a patent will ultimately be issued, or that an issued patent will not face a judicial challenge in the Courts or an administrative challenge in the U.S. Patent & Trademark Office, iviewit.com believes that the pending claims in its patent applications are well supported and will provide iviewit.com with broad patent protection. iviewit.com further believes that its proprietary technologies, and related trade secrets, provide it with a substantial competitive advantage.

Future Development

iviewit.com's goal is to maintain a leadership role in visual technologies and continued research and development will be deployed to this end. iviewit.com's product output will stress user friendliness, superior picture quality and effective presentation for the experience by the end user.

Extensions of the current technologies are planned to provide similar improvements in videoconferencing. Early testing has validated the feasibility of these extensions and funding will provide the resource necessary to complete the development work. It is estimated that a product could be ready to market within 6 – 9 months from funding. Also, a TV interface adapter, which allows a PC monitor output to be connected to a TV set, is currently available. Using a TV this way further enhances the quality of the video since a TV set is optimized for displaying video images. This has paved the way for a new era in Pay-Per View distribution across the Internet.

Products and Services

In order to provide its customers a full range of services to create and offer quality video and images over the Internet, iviewit.com offers the following products and services:

- ***Site Licensing for the Distribution of Product Processed by iviewit.com.*** Each site distributing iviewit.com visual media product must license the technologies. The licensing fee will be collected up front as an annual fee and there may be additional royalties due within each annual licensing period for expanded use of the product.
- ***Image and Video Processing.*** There is an option between basic processing and edited content processing for a higher quality output. Priority and standard time processing is provided. Priority processing guarantees a next day delivery via file transfer protocol to the customer or posted to the iviewit.com website. Standard delivery is within 5 working days.

- **Web Hosting of Image and Video Content, Linked to a Client's Site.** This service will be for content owners who do not have the server capacity to store or stream their content and will not be applicable to all clients. This is an extension of the current web site. Seamless linking is a well-established Internet technique and has been validated by iviewit.com testing with prospective customers. Since this is not a core part of its business model, iviewit.com is investigating the option of hosting services through strategic alliances.
- **Photographic or Video Recording Services.** iviewit.com has retained the services of a large number of professional photographers and video producers in order to handle customer requirements.

Web Site Creation and Hosting. Professional designer support is available through iviewit.com's subcontract with **Real 3D®, Inc.** and other web site specialists. This service is not expected to be a major part of iviewit.com's business.

Industry Analysis

Broadband Industry

The transmission of data intensive content over the Internet has been limited due to both technological and bandwidth constraints. However, the increasing availability of improved delivery systems, such as digital cable modems, T-1 lines, satellite delivery

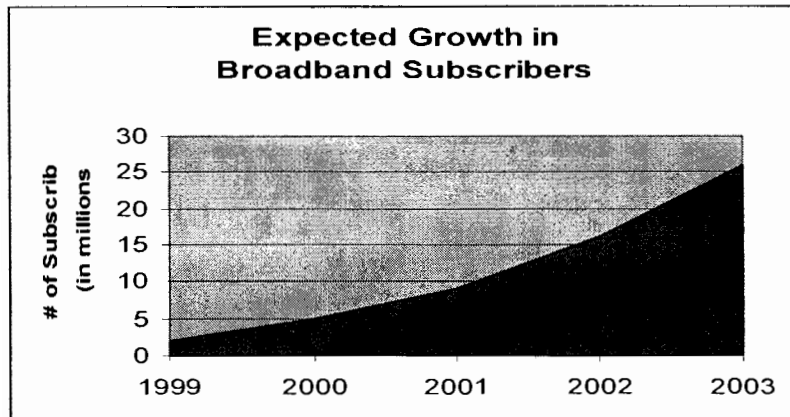


Chart 1.0 – Forrester Research and Broadband Intelligence

typically allow sustained data transfer to the user of at least 256 kilobits per second, or approximately 5 times the access speed of the fastest standard narrowband modems.

US cable modem subscribers are expected to increase to 3.3 M in 2000 (up from 1.6M in 1999). DSL customers (serviced by phone companies) will nearly triple to 1.4M in 2000 from 500,000 in 1999.¹ And the total number of broadband subscribers by the end of Year 2002 and 2003 is expected to be 16 million and 26 million, respectively.²

¹ Broadband Intelligence July 1999

² Forrester Research

The broadband industry is drawing billions of dollars in capital investments to develop the necessary infrastructure for broadband content and delivery. The cable companies are massively marketing this existing user base to include broadband access. Similarly, the telephone companies are upgrading their lines to offer DSL access. In addition, major hardware manufacturing companies, application developers and content providers are racing to be the de facto standard for broadband delivery.

Streaming Media Industry

Multimedia streaming technology is bringing new levels of versatility, quality and simplicity to the creation and distribution of multimedia content over the Web. One measure of the growth in use of streaming media is the number of registered users posted by RealNetworks, a company that develops software used by broadcasters to stream multimedia content over the Internet. The first RealPlayer was released in 1995, and to date over 80 million unique users have been registered. The RealPlayer download rate now exceeds 175,000 per day, an increase of more than 270% since the beginning of 1997.

The emergence of rich multimedia capabilities, such as streaming audio and video, will continue to enhance the effectiveness of the Web as a mass communications medium and Intranets as a means to improve corporate communications. Content delivered through traditional media, such as television and radio, will be increasingly delivered over the Internet.

Digital Imaging Industry

Companies are increasingly using digital imaging to effectively promote their products on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat two-dimensional images offering a limited field of view. Technological innovations that enhance realism and interactivity and contribute to a viewer's retention to that web site will facilitate the success of e-commerce by leading to increased sales and advertising rates. Specifically, immersive imaging, or the ability to create the viewing perspective of being inside the image, is becoming increasingly popular with many web sites. However, image creation with many of the existing immersive technologies is labor intensive, produces poor visual quality and requires proprietary hardware and software. As a result, market acceptance of these technologies has been limited. Until iViewit's digital imaging process the users ability to zoom into a picture or virtual reality environment was limited due to pixel distortion.

In order for widespread adoption of immersive imaging by businesses and consumers to occur, new immersive technologies must offer the following benefits:

- Ease of creating and viewing an image
- East of distributing and sharing the image
- Portability of the capture device
- Cost effectiveness
- Use of standardized technology
- Platform independence

Management Team

- **Brian G. Utley, President** - Mr. Utley has been involved in the computer industry since 1955, 37 years of which were with IBM. He has been in senior management and executive positions since 1965 culminating in his responsibility as Vice President and General Manager of IBM Boca Raton with a work force of over 6,000 professionals. During his career he has been responsible for advanced technology product development on many fronts. In addition he was responsible for a number of IBM's overseas activities including product development, product management and market development. The most notable of which was the introduction of the IBM PC to Europe. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results.
- **Eliot I. Bernstein, Founder and Chief Technology Officer** - Mr. Bernstein, a graduate of University of Wisconsin in psychology with a minor in computer science, spent 15 years in a highly successful insurance career during which he created many innovative and effective computer based, multimedia marketing tools. These products remain in use today to service over \$1 billion of insurance business. In 1998, like many entrepreneurs, Eliot chose to risk everything to pursue his dream of creating high impact visual applications for the Internet and iviewit.com was born. He combined his passion for photography and video with a burning desire to see the Internet evolve from a text-based medium to a visual tool. As Chief Technology Officer Eliot oversees the development of all aspects of iviewit.com's imaging and video technologies. As the inventor behind the Patent Pending's in process at the US Patent Office Eliot continues to play a key role in the development of visualization technologies and is committed to insuring that iviewit.com maintains its leadership position in the industry.
- **Michael A. Reale, VP of Operations** – Mr. Reale, a graduated from Pace University, New York City with an MBA and attended special manufacturing management courses at Harvard Business School and Stanford University. Michael's experience includes 21 years with IBM in product manufacturing, distribution and data processing. He was Director of Manufacturing, Personal Computer Division and pioneered the introduction of high volume production into IBM. His experience lead him to Senior Vice President, SCI systems, Inc., President and COO, MGV Manufacturing and Chief Operating Officer, Boca Research, Inc. He brings to iviewit.com a wealth of experience in manging and directing all aspects of operations in businesses large and small.
- **James F. Armstrong, VP of Sales and Marketing** – Mr. Armstrong has owned and operated The Armstrong Group, Ltd. since 1982. The Armstrong Group is a financial planning, insurance consulting and sales firm targeting the corporate executive and

high net-worth markets. Jim also worked for Prudential Securities as the National Sales Manager for its Primary Client Services and Life Agency Divisions. In the Primary Client Services Division, Jim directed the sales effort for the company's retirement products, financial planning capabilities and central asset account. In the Life Agency Division, Jim was responsible for building the infrastructure for this start-up venture. He developed marketing materials, formulated policies and procedures, and recruited and supervised a national network of planning specialists. Jim's extensive knowledge of computer hardware and software applications have served him well in his previous positions and, together with his broad business experience, uniquely positions him for this leadership role with iviewit.com.

Although the current key management team's vast experience is a tremendous asset, iviewit.com understands that it needs to assemble a more diversified, highly qualified management team. Once funding is secure, iviewit.com intends to fill the following additional key positions within 60 days:

- Chief Financial Officer
- VP Manufacturingnow filled
- VP of Licensing

Board of Directors

- **Brian G. Utley, President**
- **Eliot I. Bernstein, Founder & CTO**
- **Donald G. Kane** – Mr. Kane is President of GDI, a privately held holding company that controls 4 business-to-business Internet companies. Prior to joining GDI, Don was a Managing Director in the Investment Banking Division of Goldman Sachs & Co. During his fourteen-year career at Goldman Sachs, Don created the firm's Midwest Financial Institutions practice and founded a Global Financial Institutions Technology Group. Don is a Board member and Vice Chairman of Sagence Systems, Inc., a GDI company and is a member of the Board of Versifi, Inc. and Ergo Systems. Don is an advisor to Signcast, Inc., Gryphon Holdings and Capita Technologies. He is a member of the Kellogg Graduate School of Management Advisory Board at Northwestern University and is a member of the Board of the Metropolitan YMCA of Chicago.
- **Simon L. Bernstein, Chairman of the Board** - Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over a billion in life premium sales. Mr. Bernstein's career in the life insurance industry began in 1965 when he became the top producer for Aetna Life and Casualty Company. He has

remained in the top 5% of life insurance sales agencies since that time. Mr. Bernstein supplied the initial “angel” investment for iviewit.com.

- **Gerald R. Lewin, Director** - Gerald Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. In 1981, Mr. Lewin joined Donald Goldstein to form Goldstein Lewin & Co., which currently is a leading a 50 man southeastern accounting firm. Mr. Lewin specializes in business consulting and is highly knowledgeable in many areas of accounting, tax and financial planning. Mr. Lewin is a member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.
- **Maurice R. Buchsbaum, Director** – Mr. Buchsbaum has engaged in corporate finance projects as a principal, advisor, consultant, officer, director or senior managing director for the past 27 years. As a partner or senior officer of several leading investment banks (including Drexel Burnham, Kidder Peabody and JW Genesis), he has worked in all aspects of corporate finance. He formed Emerald Capital Partners in early 1999, to provide strategic planning and banking advice to a myriad of small and medium sized American growth companies. He has engaged in numerous public and private transactions and activities that include seed capital, early stage financing, major and late stage strategic finance, restructuring and mergers/acquisitions ranging in size from \$1 million to \$700 million. His industry experience includes health care, technology, telecommunications, biotechnology, financial services, environmental, and airlines. He holds BS and MBA degrees with honors from Ohio State University, and was a fellow in the doctoral program at Northwestern University.

Strategic Partners & Investors

- ***Real 3D®, Inc.*** – iviewit.com is currently engaged in a strategic partnership with ***Real 3D®, Inc.***, a well-respected technology company that is owned by Lockheed Martin, Silicon Graphics Inc. and Intel, who is providing hosting, serving and technology enhancement services. ***Real 3D®, Inc.*** has participated in the technology evaluation phase of iviewit.com's proprietary Imaging and Video Streaming products. ***Real 3D®, Inc.*** has found iviewit.com's web-based products to offer an extraordinary high-resolution panoramic view capability that can have many uses in the e-commerce arena.
- **Huizenga Holdings, Inc.** - Huizenga Holdings Inc. through Investech Holdings, LLC is the founding equity partner of iviewit.com. Huizenga Holdings Inc. brings a strategic portfolio of Internet investments and businesses, which has helped fuel the expansion of iviewit.com's video and imaging technologies.

iviewit.com also has an Advisory Board, Legal Counsel and Business Consultants who bring an extensive knowledge base, business connections and experience to the development of iviewit.com. Please see “Attachment B – iviewit.com's Advisory Board, Legal Counsel and Consultants” for more details.

Market Opportunity & Penetration Strategy

Market Opportunity for Video Streaming

Streaming media is now the most widely used application after browsers and online programs like AOL on the Internet... and it is growing exponentially. Microsoft's Media Player, RealNetworks suite of players and Apple's Quick-Time Player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, *on demand*.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies mentioned above. iviewit.com's suite of technologies will positively affect and benefit all of these parties.

- **End Consumers** – For consumers who have a broadband pipe in their homes, streaming video is the “killer application.” The promise of rich visual content defines the reason for paying between \$40 - \$50 per month for the increased bandwidth. It means that consumers can *see* the entertainment, news, product commercials, infomercials and education videos they want at near TV quality. That promise will be maximized by the proliferation of content delivered through and with iviewit.com. The companies responsible for providing the infrastructure for broadband recognize the importance of promoting enabling technologies and driving media rich content to the web. Their paradigm has shifted to include content creation as a significant element of their overall strategy. Greater availability of quality content on the web will increase demand for the pipes necessary to view it. Similarly, the popularity of software applications that “play” the content files will increase dramatically as iviewit.com's technologies will enhance any media player operating on a broadband network and provide video quality full screen streaming media.
- **Business to Business (b2b) E-Commerce Sites** - For b2b e-commerce sites, iviewit.com's technologies will provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product manuals through iviewit.com's proprietary system, business e-commerce sites can leverage their video and image investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality visual experiences. Licensing these b2b sites will be a primary market focus for iviewit.com's technologies.
- **Intellectual Property Owners** - For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues etc., iviewit.com's technologies means that video streaming can finally become a revenue source. Most of these firms have already begun to stream

promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for the small screen, grainy content prevalent on the web today and the pipeline required for serving these files is expensive. iviewit.com's technologies provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and reducing the digital stream size required to serve them. These solutions are at the core of iviewit.com's competitive market advantage.

- **Digital Distributors** - For digital video distribution companies, iviewit.com's technology efficiency is extremely attractive because it minimizes the required file size, and therefore will decrease the cost of business.

In summary, the market potential for iviewit.com's technologies is enormous. iviewit.com will engage in a high profile launch campaign designed to build awareness for its technologies with all the key market influencers and then concentrate on a licensing program to populate its technologies among b2b and b2c Internet sites.

Market Opportunity for Digital Imaging

Companies are increasingly using digital imaging to promote their products and present information on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat and two-dimensional offering a limited field of view. The alternative, immersive imaging (the ability to create the viewing perspective of being inside the image), is becoming increasingly popular with many web sites, but is still labor intensive, requires proprietary hardware and severely distorts the image after magnification of 1-2 times.

In contrast, iviewit.com's technologies allow for high quality, full screen imaging with zoomable and panoramic images of up to 360 degrees with very high levels of zoomability. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. iviewit.com processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1.

Market Penetration

iviewit.com has already begun to sell its technologies to various corporations and is currently in negotiations with the following potential clients, names in Blue or hyperlinked have signed initial production contracts:

- | | |
|--|---------------------------------|
| • CBS Sportsline.com | • Hollywood.com |
| • 3Com Corporation | • Playboy.com |
| • Hyatt Hotels & Resorts | • West Palm Beach Lexus |
| • Armstrong Blum Manufacturing | • KidsCamp.com |
| • Atlas Entertainment | • Lovemate.com |
| • Boca Resort & Beach Club | • Machineweb.com |

- | | |
|------------------------------------|---------------------------|
| • <u>Broadway.com</u> | • Thehealthnetwork.com |
| • <u>Centrack</u> | • University of Florida |
| • @merican enterprise.com | • Versifi |
| • Ezlinksgolf.com | • Webcasts.com |
| • Great Expectations/KISMET | • <u>J.M Lexus</u> |
| • | |

iviewit.com has identified various markets to target with its imaging and video streaming technologies. (Please see Attachment C titled “Potential Markets for iviewit.com’s Video & Imaging Technologies” for a list of target markets.)

Video streaming and still image enhancement are nascent markets and there are no benchmarks for pricing iviewit.com’s proprietary technology enhancements. Therefore, iviewit.com has based its licensing strategy and product penetration on the following information:

- iviewit.com’s contract negotiations with current clients
- iviewit.com’s understanding of what companies are willing to pay for these technologies, including the business economics of a given industry

iviewit.com has also based its pricing on the fact that there are currently no direct competitors to its technologies. However, as competition prevails and market conditions change, iviewit.com’s pricing will adjust accordingly.

iviewit.com realizes that the needs and budget for each customer and indeed across industries vary tremendously. In response to this, iviewit.com will need to specially craft a licensing contract with each customer. However, the following pricing strategy gives an overall projection of what customers on average will be charged for iviewit.com’s video streaming and imaging products and services.

Initial Market Introduction Strategy

iviewit.com has elected a two prong strategy to initially market its technologies. The first stage is to target high profile intellectual property owners and distributors, as clients, to encode their images and watermark those images with iviewit.com’s logo. Initial clients signed or in negotiation include CBS Sportsline, Hyatt Resorts & Hotels, Broadway.com and Playboy.com. The second stage will focus on acquiring the rights to encode marquee Internet Events, with world-renowned stars that will provide iviewit.com with significant branding opportunities. Properties in negotiation include i.m. Nomad.com, a made for Internet miniseries starring supermodels Heidi Klum, Estella Warren and Rachel Roberts. Additional launch initiatives include opportunities with Billy Joel, CSNY and The Dixie Chicks.

The Company is developing a marketing plan and detailed budget to attack the key business segments as identified in Attachment C. The elements of that plan include: (i) a national print media campaign targeting corporate decision makers for encoding images for commercial websites, (ii) a national b2b Public Relations campaign designed to build

awareness and demand for the iviewit.com imaging technologies targeting the streaming media, digital still imaging, and investment communities. (iii) a trade show plan specifying the number of shows the company must attend to promote its imaging technologies and an accompanying plan detailing how the company will effectively present its technologies at those shows (iv) sales collateral materials to support the sales force (v) a plan for the acquisition and exploitation of exclusive internet video events, like iMNomad, to highlight the companies technologies and turbo charge its public relations efforts and (vi) a plan and execution strategy to upgrade iviewit's web site to promote its technologies and support its customers.

The company has budgeted three million dollars in marketing expenditures to undertake these marketing activities. Iviewit.com has initiated a search for an advertising/new media agency and a public relations agency with demonstrated competence in the b2b technology space to assist the company in developing and implementing the marketing plan.

Pricing Model - Video Streaming

iviewit.com will require an annual license to process a video source into an iviewit.com file to be streamed over the Internet. The licensing fee will depend on the number of distributed servers that the customer uses for its web site. The rationale behind this is that the license fee should be greater if the technologies are being used and exploited by a larger number of users. And generally, web sites that have larger number of users require additional distributed servers. iviewit.com has decided to use distributed servers as a usage benchmark (instead of number of hits to the web site streaming the video) because of the ease in benchmarking the fee to clients.

iviewit.com will also charge a per minute fee for the processing of the video. Depending on the needs of the client, the processing of the video will vary greatly. For example, an advertising agency focused on optimizing 30 and 60 second spots will have vastly different requirements than a worldwide hotel chain with three to five minute infomercials on each property. Additionally, there are different levels of processing costs associated with the image quality required by the client. For a client that does not require frame by frame analysis of its video (i.e. a video segment on a local community college), the amount of labor to process the video is minimal and the cost will be approximately \$5 a minute to process. For clients who require editing for their video, iviewit.com will charge incremental fees priced to account for the time and labor involved.

Although not a core part of its business, iviewit.com will offer video hosting for those clients who need a complete video streaming solution. The monthly storage, database maintenance and serving fee will be based on the number of gigabytes hosted by iviewit.com. iviewit.com sees this pricing model as part of its overall plan to identify and "brand" itself as a total solution service-oriented business for its clients. iviewit.com will outsource this service with several partners according to the scope and scale of the client requirements.

The following outlines the approximate fees for licensing the technologies and video processing.

Video License Charges:	First year	Following years
Video and image master server	\$25,000	\$22,500
1st distributed server	\$5,000	\$4,500
Additional distributed servers	\$2,500	\$2,250
Video Processing	\$/min.	
Processing of VHS or S-VHS tape to video player format	\$5.00	\$5.35
Processing of VHS or S-VHS tape to video player format with frame editing	\$40.00	\$42.80
Video Hosting, Monthly Charges	\$/GB/mo.	
Storage and Data Base Maintenance	\$12.00	\$13.00
Serving Fee	\$35.00	\$38.00

Pricing Model - Imaging

iviewit.com will require an annual license fee to process still images to a zoomable and/or panoramic iviewit.com digital image. The licensing fee will increase with additional distributed servers used by the customer.

In addition, if the client requires, iviewit.com will arrange for hosting of the images through its strategic alliance with MPI.net.

iviewit.com will offer a turnkey suite of services to its customers that include: capturing, processing and hosting the images. (Please see the section titled "Digital Imaging" under the Products and Services Description for details on the types of images iviewit.com can create.) In addition to the per image processing fee, iviewit.com will also charge a monthly fee for the number of images served..

The following outlines the approximate fees for licensing the imaging technologies, capturing, processing, serving and hosting.

Image License Charges:		First year	Following years
	Image only master server	\$1,800	\$1,620
	Distributed server	\$800	\$720
	Additional distributed server	\$400	\$360
Image Capture, Processing and Hosting:		Each	
	Single shot	\$68	
	Quarter Pan and Zoom	\$225	
	Half Pan and Zoom	\$435	
	Three quarter Pan and Zoom	\$655	
	Full Pan and Zoom	\$855	
Monthly Charge Schedule Based on Site Connections:		Rate \$	
	Schedule 1 - 1 to 4,999 hits	0.10	
	Schedule 2 - 5,000 to 9,999 hits	0.07	
	Schedule 3 - 10,000 to 24,999 hits	0.05	
	Schedule 4 - 25,000 + hits	0.03	
	Monthly minimum of \$150		

Competitive Analysis

Streaming Media

There are several competitors to iviewit.com in the streaming media industry. iviewit.com's proprietary video processes put iviewit at

Industry	Company Examples
Software Providers	MS Media Player, RealNetworks
Digital Distributors	InterVU, iBeam, Akamai
Content Providers	Broadcast.com, AtomFilms.com, Den.net
Encoding Services	Loudeye, Sonic Foundry, VideoDome.com

Table 1.0 – Potential Strategic Partners or Licensees

the highest quality found on the web. Software providers, digital distributors, content providers, and encoding services will all benefit from the increased use of iviewit.com's technologies and may be potential strategic partners or licensees.

Although a truly different product than iviewit.com's, encoding services can be considered indirect competitors. The following describes the key companies in the encoding industry:

- **Loudeye** – Loudeye, originally encoding.com, is a provider of digitizing and encoding services and offers streaming media production. Loudeye's Optimized Encoding Process™ and proprietary software offers media compression. The company's partnership with platform developers such as Microsoft, Apple and RealNetworks allows codec support.
- **Sonic Foundry** - Sonic Foundry, Inc. is a provider of PC-based software products that enable users to easily work with and edit digital media. Sonic Foundry's products are used for multimedia and Internet applications, music and audio post-production, broadcast production, and digital content creation. Sonic Foundry's products and services offer media consumers the ability to capture and create media, edit the content, and deliver the information via fixed media or electronic distribution. The

company's products are designed to run under both the Windows and Windows NT operating systems.

- **VideoDome.com** – VideoDome.com is a provider of Internet video OnDemand solutions. Using its InstaStream system, the company enables the conversion of standard video footage to video on demand. VideoDome.com offers broadcasting media either via a listing in the VideoDome OnDemand Channel Directory, a company's own existing web site, or a dedicated channel with various features including chat, user subscription options and client customization.

Digital Imaging

There are various companies offering digital imaging services over the Internet. However, as described in the Products and Services section, iviewit.com offers full screen higher quality images that are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. None of iviewit.com's competitors can provide this type of quality imaging.

The following describes the major competitors to iviewit.com in the digital imaging industry:

- **Interactive Pictures Corporation (IPIX)** - The company's IPIX technology is used by travel and hospitality (Marriott), publishing (New York Times), real estate (ERA), education (National Geographic), and entertainment (Disney) companies to enhance multimedia content, interactivity, and e-commerce on Web sites. Its Wizard software (sold on a per-use basis) converts two photos taken with a digital camera into one IPIX image.
- **Bamboo.com** – Bamboo.com (recently acquired by IPIX) provides virtual tours of real estate properties for sale or rent. The tours allow users to view the inside and outside of properties, panning right and left or zooming.. Bamboo.com charges real estate agents a one-time fee to videotape a property, convert the videotape into a virtual tour, and distribute the tour through Internet sites or e-mail. The company markets its tours through agreements with Web sites such as REALTOR.com and HomeBuilder.com.
- **Live Picture / MGI Software** – Live Picture, Inc. (LPI) provides Internet imaging and is the inventor of zoomable images for the Internet. Live Picture develops and sells a complete suite of image servers and Internet and consumer applications based on its Zoom image technology.
- **Ulead Systems, Inc.** – Ulead Systems was founded in 1989 to develop and market Windows-based imaging and video production tools that allow people to share their ideas and memories. The company provides imaging, video, 3D and Internet software for business and personal communication.

Company	Full Screen	Singe Image Zoom	Image Distortion	Pixelation Upon Zoom	Panning Ability
Bamboo	No	Yes	Yes	Yes	Up, Dn, Lt, Rt
IPIX	No	Yes	Yes	Yes	Lt, Rt
MGI Software	No	Yes	Yes	Yes	Up, Dn, Lt, Rt
Ulead	No	No	Yes	Yes	Up, Dn, Lt, Rt
iviewit.com	Yes	Yes	No	No	Up, Dn, Lt, Rt

Table 2.0 – Imaging Competitor Analysis

Timeline

Date	Milestone
Second Quarter 2000	Close the Next Traunch of Financing
	Secure Content for Launch of iviewit.com
	Begin Viral Marketing Campaign of iviewit.com
February – April, 2000	Hire Additional Key Executives and Staff
April 15, 2000	Official Marketing Campaign Begins
	Sales & Marketing Team Approaching Potential Clients
May 15, 2000	Official Launch of iviewit.com
Late 2000	Close the Follow-on Traunch of Financing, if necessary
Mid - Late 2001	Exit Strategies May Include: IPO, Partnering with Another Company, Spin-off of Technologies Application and/or Create Multiple Companies for Different Markets

Financial Summary

iviewit.com is seeking \$10 million in capital to grow its current operations. The funds will be used to expand the management team, build the production capacity and promote and market the company and its offerings. The projected financial statements can be found in appendix A.

The substantial investment in marketing and promotion is expected to impact business volumes that will result in a break-even in 20 months. By the end of the second year iviewit.com is expected to have an NEBT of \$7.9M.

Exit Strategy

During the second year there are several exit strategy opportunities that could be employed to give investors liquidity if desired. The following are possible examples:

- Initial Public Offering
- Strategic Sale to a Value Added Buyer
- Spin-off
- Create multiple companies

Attachment A – Financial Projections



"iviewit
Financials.xls"

If you would like a hard copy of the financials, please run the above Excel executable and print the financials. Once you open the excel workbook, click FILE then PRINT PREVIEW and then click the printer icon.

Attachment B – iviewit.com’s Advisory Board, Legal Counsel and Consultants

Advisory Board

- **Alan J. Epstein** –Mr. Epstein is a shareholder of the entertainment law firm Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C., which is based in Los Angeles. Alan’s law practice consists of advising Internet companies on various issues pertaining to the entertainment industry, including the creation, licensing and acquisition of content, the introduction and negotiation of strategic partner relationships, and various other matters relating to the convergence of technology and content. Alan also advises his firm’s numerous celebrity clients on the exploitation and protection of their name and likeness rights and content on the Internet, as well as merchandising, endorsement and sponsorship deals. Prior to entering the UCLA School of Law, Alan was a certified public accountant at Deloitte Haskins & Sells in Dallas, Texas.
- **Christopher C. Wheeler** – Mr. Wheeler is a member of Proskauer Rose LLP’s Corporate Department and a partner in the Florida office, has a versatile transactional practice. Chris has had extensive experience in real estate and corporate law, institutional lending and workouts, administrative law and industrial revenue bond financing. Moreover, he serves as a strategist and counselor to many clients in handling their other legal and business matters. Chris is well-versed in general corporate law as well as mergers and acquisitions and securities matters. He has guided companies from startup through initial private placements to public offerings. A graduate of Hamilton College and Cornell Law School, Chris was a member of the managing Board of Editor of the Cornell Law Review.
- **Kenneth Rubenstein** –Mr. Rubenstein is a partner at Proskauer Rose LLP law firm and is the patent attorney for iviewit.com. He is a registered patent attorney before the U.S. Patent & Trademark Office. Ken counsels his clients with respect to the validity and infringement of competitors’ patents, as well as prosecutes patent applications. For the past several years Ken has worked on the formation of a patent pool, for MPEG-2 technology, involving large consumer electronics and entertainment companies. Ken is also a former member of the legal staff at Bell Laboratories. Ken received his law degree, cum laude, from New York Law School. and his Ph.D. in physics from the Massachusetts Institute of Technology where he also graduated with a B.S. Degree.
- **Raymond A. Joao** – Mr. Joao heads Meltzer, Lippe’s Intellectual Property Rights, Patents, Copyrights and Trademarks Group. He specializes in intellectual property law, including patents, trademarks and copyrights, as well as technology transfers. He has extensive experience in patent prosecution, licensing and litigation in the fields of computer software and hardware, communication networks, electronics, the

Internet, financial modeling and mechanical devices. Ray is adept at dealing with high technology companies and other companies looking to patent not only their physical inventions but new business methods as well.

Legal Counsel

- **Proskauer Rose LLP** - *is* one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients through the United States and around the world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.
- **Armstrong Hirsch Jackoway Tyerman & Wertheimer** – *is* one of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting in developing the business structure of iviewit.com.
- **Foley & Lardner** - *is* one of the oldest and largest law firms in America. Founded in 1842, the firm now has more than 750 attorneys in 14 offices, following the February 1996 merger with Weissburg and Aronson, Inc. Yet our real strength lies not in age of the firm or in the number of attorneys, but in our commitment to provide the highest possible degree of excellence in client service.
Foley & Lardner's over 100 highly skilled intellectual property attorneys constitute one of the largest and most sophisticated technology groups in a general-practice law firm in the United States. As one of the few large national law firms with a global intellectual property law group that is fully integrated into a multi-disciplinary business law practice, we are able to provide a complete spectrum of legal representation and counseling to our clients. Our broad-based representations in litigation, regulatory affairs and general business counseling are complemented by one of the world's most highly trained staffs, which includes 65 engineering and advanced technical degrees, including 12 Ph.D.'s.
The list of clients using Foley & Lardner to fill their intellectual property legal needs ranges from small entrepreneurial start-up companies to large international and multinational corporations. Foley & Lardner attorneys provide solutions and successfully serve the needs of clients around the world, including those situated in the United States, Canada, Latin America, the European Union, Eastern Europe, the Middle East, and the Pacific Rim.

Consultants

- **Daniel Socolof** – Mr. Socolof is the founder and CEO of the Marketing Entertainment Group of America, Inc., an entertainment production and marketing company. Mr. Socolof has created national branding events and campaigns for the world's largest and most important intellectual property owners including MTV, Pepsi, Nintendo, Proctor and Gamble, SC Johnson, Anheuser-Busch, Apple Computers, Philips Electronics and many other top tier entertainment and global consumer products organizations.
- **Mike McGinley** – Mr. McGinley is the founder of SRO Consultants, a Los Angeles based international consulting firm that provides a wide range of business and management services for the entertainment and music industry. SRO Consultants provides strategic consulting and marketing/cross promotions to industry leaders such as Microsoft, DirecTV, Best Buy, InterVU and Music Choice. Additionally, SRO handles tour accounting for more than 100 major clients including Sting, Neil Young, the Rolling Stones and Tom Petty. Mr. McGinley is a Certified Public Accountant who received his B.A. in business administration from the University of Montana.
- **Eric M. Chen** - Mr. Chen is an honors graduate from Harvard University. He has spent much of his career in the field of investment banking where he has specialized in advising, financing and guiding the growth strategies of many health care companies. His areas of expertise include biotechnology, medical diagnostics, and new emerging drug technology and delivery systems. He has served as an analyst, Senior Vice President and Managing Director for several Wall Street firms including Furman Selz, Hambrecht & Quist, Fechter Detwiler and Southeast Research Partners. Much of his activities have focused upon early stage growth companies in both the public and private sectors. He has analyzed companies in a wide variety of industries, which include vision care, telecommunications, computer storage, software applications and data management. Mr. Chen is the President of Emerald Capital Partners, which he co-founded with Mr. Buchsbaum, since his departure from Southeast Research Partners in early 1999.

Attachment C – Potential Markets for iviewit.com’s Video & Imaging Technologies

Market	Video	Image
3D Graphics		X
Advertising	X	X
Art		X
Automotive *	X	X
Commercial Properties	X	X
Computer Games	X	X
Entertainment *	X	X
Executive Search, Modeling, Casting & Dating Services *	X	X
Health Care *	X	X
High value Auctions	X	X
High-end Luxury (e.g. Boats & Airplanes)	X	X
Hotels & Resorts *	X	X
Image Libraries		X
Medical Imaging *	X	X
Military & Government	X	X
Residential Properties	X	X
Software Applications	X	
Sports *	X	X

* iviewit.com is actively pursuing these markets

Attachment A – Financial Projections

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STATEMENTS OF PROJECTED REVENUE AND EXPENSES-CASH BASIS FOR THE TWO YEAR PERIOD

	YEAR 1	YEAR 2
REVENUE	\$ 1,956,122	\$ 19,233,244
COST OF GOODS SOLD	1,836,987	3,204,826
GROSS PROFIT	119,135	16,028,419
OPERATING EXPENSES	4,837,550	6,726,628
NET OPERATING PROFIT (LOSS)	(4,718,415)	9,301,791
DEPRECIATION EXPENSE	149,842	400,535
INCOME (LOSS) BEFORE INCOME TAX EXPENSE	(4,868,257)	8,901,256
INCOME TAX EXPENSE	-	1,613,200
NET INCOME (LOSS)	\$ (4,868,257)	\$ 7,288,056

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**STATEMENTS OF PROJECTED CASH FLOWS - CASH BASIS
 FOR THE TWO YEAR PERIOD**

	<u>YEAR 1</u>	<u>YEAR 2</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCOME (LOSS)	\$ (4,868,257)	\$ 7,288,056
ADJUSTMENTS:		
DEPRECIATION	149,842	400,535
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(4,718,415)</u>	<u>7,688,591</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
PAYMENTS FOR FIXED ASSETS	(525,200)	(921,969)
CASH USED IN INVESTING ACTIVITIES	<u>(525,200)</u>	<u>(921,969)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
PROCEEDS FROM INVESTOR FINANCING:	10,000,000	-
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>10,000,000</u>	<u>-</u>
INCREASE IN CASH	4,756,385	6,766,622
CASH - BEGINNING	-	4,756,385
CASH - ENDING	<u><u>\$ 4,756,385</u></u>	<u><u>\$ 11,523,007</u></u>



**STATEMENTS OF PROJECTED REVENUE AND EXPENSES - CASH BASIS BY MONTH
YEAR ONE**

	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	Total
REVENUE													
Video Streaming	\$ -	\$ 69,819	\$ 64,983	\$ 60,000	\$ 55,163	\$ 77,016	\$ 99,530	\$ 121,383	\$ 179,487	\$ 239,351	\$ 297,455	\$ 384,938	\$ 1,649,125
Imaging	-	16,057	16,031	16,002	15,976	19,753	23,644	27,421	33,325	39,408	45,312	54,068	306,997
	-	85,876	81,014	76,002	71,139	96,769	123,174	148,804	212,812	278,759	342,767	439,006	1,956,122
COST OF GOODS SOLD	85,860	103,339	115,081	133,568	129,750	165,230	163,282	170,504	188,094	186,028	190,971	205,282	1,836,987
GROSS PROFIT	(85,860)	(17,463)	(34,067)	(57,566)	(58,611)	(68,461)	(40,108)	(21,700)	24,718	92,731	151,796	233,725	119,135
OPERATING EXPENSES													
Rent - Office	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	104,400
Utilities	660	660	660	660	660	1,320	1,320	1,320	1,320	1,320	1,320	1,320	12,540
Telephone	1,080	1,320	1,320	1,320	1,320	2,160	2,160	2,160	2,160	2,160	2,160	2,160	21,480
Travel	8,500	11,050	14,450	16,150	17,000	17,000	17,000	17,850	19,550	21,250	21,250	21,250	201,450
Business entertainment	2,500	3,000	3,500	3,500	3,500	4,500	4,500	4,500	5,000	5,000	5,000	5,000	49,500
Promotion & Trade Shows	100,000	65,000	75,000	100,000	110,000	135,000	185,000	185,000	220,000	220,000	220,000	220,000	1,835,000
Misc. Expense	1,000	1,750	1,925	2,118	2,330	2,563	2,819	3,101	3,411	3,752	4,127	4,540	33,436
Insurance, D & O	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Insurance, Gen Liab	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Legal & Accounting	45,000	54,000	54,000	54,000	49,500	31,500	31,500	31,500	31,500	31,500	31,500	31,500	477,000
Consulting	27,750	27,750	30,000	30,000	30,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	376,500
Payroll	61,665	88,332	117,999	140,799	143,132	147,464	157,798	160,131	172,131	172,131	172,131	172,131	1,705,844
	258,555	263,262	309,254	358,947	366,992	384,907	445,497	448,962	498,472	500,513	500,888	501,301	4,837,550
NET OPERATING PROFIT (LOSS)	(344,415)	(280,725)	(343,321)	(416,513)	(425,603)	(453,368)	(485,605)	(470,662)	(473,754)	(407,782)	(349,092)	(267,577)	(4,718,415)
DEPRECIATION EXPENSE	(12,487)	(12,487)	(12,487)	(12,487)	(12,487)	(12,487)	(12,487)	(12,487)	(12,487)	(12,487)	(12,486)	(12,486)	(149,842)
INCOME (LOSS) BEFORE INCOME TAX	(356,902)	(293,212)	(355,808)	(429,000)	(438,090)	(465,855)	(498,092)	(483,149)	(486,241)	(420,269)	(361,578)	(280,063)	(4,868,257)
INCOME TAX EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INCOME (LOSS)	\$ (356,902)	\$ (293,212)	\$ (355,808)	\$ (429,000)	\$ (438,090)	\$ (465,855)	\$ (498,092)	\$ (483,149)	\$ (486,241)	\$ (420,269)	\$ (361,578)	\$ (280,063)	\$ (4,868,257)

STATEMENTS OF PROJECTED REVENUE AND EXPENSES - CASH BASIS BY MONTH
YEAR TWO

	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	Total
REVENUE													
Video Streaming	\$475,073	\$562,557	\$678,260	\$797,469	\$913,170	\$1,118,945	\$1,330,955	\$1,536,727	\$1,880,009	\$2,233,697	\$2,576,980	\$2,920,263	\$17,024,105
Imaging	63,088	71,845	87,667	103,968	119,790	145,793	172,584	198,587	243,327	289,423	334,163	378,904	2,209,139
	538,161	634,402	765,927	901,437	1,032,960	1,264,738	1,503,539	1,735,314	2,123,336	2,523,120	2,911,143	3,299,167	19,233,244
COST OF GOODS SOLD	225,543	225,543	225,543	253,248	253,248	253,248	281,130	281,130	281,130	308,354	308,354	308,354	3,204,826
GROSS PROFIT	312,619	408,860	540,384	648,189	779,712	1,011,490	1,222,408	1,454,184	1,842,206	2,214,766	2,602,789	2,990,813	16,028,419
OPERATING EXPENSES													
Rent - Office	9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	114,840
Utilities	1,848	1,848	1,848	2,033	2,033	2,033	2,236	2,236	2,236	2,460	2,460	2,460	25,731
Telephone	2,376	2,376	2,376	2,614	2,614	2,614	2,875	2,875	2,875	3,162	3,162	3,162	33,081
Travel	23,375	23,375	23,375	25,713	25,713	25,713	28,284	28,284	28,284	31,112	31,112	31,112	325,452
Business entertainment	5,500	5,500	5,500	6,050	6,050	6,050	6,655	6,655	6,655	7,321	7,321	7,321	76,578
Promotion & Trade Shows	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	2,112,000
Misc. Expense	4,553	4,553	4,553	5,008	5,008	5,008	5,509	5,509	5,509	6,060	6,060	6,060	63,390
Insurance, D & O	1,650	1,650	1,650	1,815	1,815	1,815	1,997	1,997	1,997	2,196	2,196	2,196	22,974
Insurance, Gen Liab	220	220	220	242	242	242	266	266	266	293	293	293	3,063
Legal & Accounting	34,650	34,650	34,650	38,115	38,115	38,115	41,927	41,927	41,927	46,119	46,119	46,119	482,433
Consulting	36,300	36,300	36,300	39,930	39,930	39,930	43,923	43,923	43,923	48,315	48,315	48,315	505,404
Payroll	218,335	220,935	227,185	238,168	238,168	253,268	253,268	259,518	264,251	264,251	262,167	262,168	2,961,682
	514,377	516,977	523,227	545,258	545,258	560,358	572,510	578,760	583,493	596,859	594,775	594,776	6,726,628
NET OPERATING PROFIT (LOSS)	(201,758)	(108,118)	17,157	102,931	234,454	451,132	649,898	875,424	1,258,713	1,617,907	2,008,014	2,396,037	9,301,791
DEPRECIATION EXPENSE	(33,378)	(33,378)	(33,378)	(33,378)	(33,378)	(33,378)	(33,378)	(33,378)	(33,378)	(33,378)	(33,378)	(33,377)	(400,535)
INCOME(LOSS) BEFORE INCOME TAX	(235,136)	(141,496)	(16,221)	69,553	201,076	417,754	616,520	842,046	1,225,335	1,584,529	1,974,636	2,362,660	8,901,256
INCOME TAX EXPENSE	-	-	-	-	-	-	-	-	-	-	668,136	945,064	1,613,200
NET INCOME (LOSS)	\$ (235,136)	\$ (141,496)	\$ (16,221)	\$ 69,553	\$ 201,076	\$ 417,754	\$ 616,520	\$ 842,046	\$ 1,225,335	\$ 1,584,529	\$ 1,306,500	\$ 1,417,596	\$ 7,288,056

FRANKSON
Revenue Model
Year One and Year Two

Year One	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	Total
Video Streaming													
Video/Image Master Server	\$ -	\$ 45,000	\$ 36,750	\$ 28,250	\$ 20,000	\$ 29,900	\$ 40,100	\$ 50,000	\$ 66,500	\$ 83,500	\$ 100,000	\$ 118,975	\$ 618,975
1st Additional Distributed Server	-	2,700	2,205	1,695	1,200	1,794	2,406	3,000	3,990	5,010	6,000	8,178	38,178
Additional Distributed Server	-	2,250	1,838	1,413	1,000	1,495	2,005	2,500	3,325	4,175	5,000	6,706	31,707
Video Processing	-	10,659	13,531	16,490	19,362	25,748	32,328	38,714	62,658	87,328	111,272	146,819	564,908
Video Processing with Frame Touch Ups	-	3,553	4,510	5,497	6,454	8,583	10,776	12,905	20,886	29,109	37,091	48,940	188,304
Video Hosting	-	666	846	1,031	1,210	1,609	2,020	2,420	3,916	5,458	6,955	9,232	35,364
Serving Fee	-	4,991	5,303	5,624	5,936	7,886	9,895	11,845	18,211	24,771	31,138	40,089	165,690
Total Video Streaming	\$ -	\$ 69,819	\$ 64,983	\$ 60,000	\$ 55,163	\$ 77,016	\$ 99,530	\$ 121,383	\$ 179,487	\$ 239,351	\$ 297,455	\$ 384,938	\$ 1,649,125

Imaging													
Image Only Master Server	\$ -	\$ 5,100	\$ 4,704	\$ 4,296	\$ 3,900	\$ 4,791	\$ 5,709	\$ 6,600	\$ 7,986	\$ 9,414	\$ 10,800	\$ 12,226	\$ 75,526
1st Addl Distributed Server	-	453	418	382	347	426	507	587	710	837	960	1,530	7,157
Additional Distributed Server	-	113	105	95	87	145	205	264	356	448	540	883	2,141
Image Capture, Processing & Hosting	-	6,692	6,173	5,637	5,118	6,287	7,491	8,661	10,479	12,353	14,172	16,770	99,833
Monthly Charge Based on Hfs on Site	-	3,698	4,631	5,592	6,525	8,104	9,731	11,310	13,894	16,556	19,140	23,159	122,340
Total Imaging	\$ -	\$ 16,057	\$ 16,031	\$ 16,002	\$ 15,976	\$ 19,753	\$ 23,644	\$ 27,421	\$ 33,325	\$ 39,408	\$ 45,312	\$ 54,068	\$ 306,997

Year Two	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	Total
Video Streaming													
Video/Image Master Server	\$ 138,525	\$ 157,500	\$ 179,775	\$ 202,725	\$ 225,000	\$ 267,075	\$ 310,425	\$ 352,500	\$ 419,325	\$ 488,175	\$ 555,000	\$ 621,825	\$ 3,917,850
1st Additional Distributed Server	10,422	12,600	14,382	16,218	18,000	21,366	24,834	28,200	33,546	39,034	44,400	49,746	312,768
Additional Distributed Server	20,645	28,350	32,360	36,491	40,500	48,074	55,877	63,450	75,478	87,872	99,900	111,928	700,925
Video Processing	183,442	218,989	272,787	328,216	382,014	477,776	576,440	672,201	835,864	1,004,486	1,168,149	1,331,812	7,452,176
Video Processing with Frame Touch Ups	61,148	72,997	90,930	109,405	127,338	159,259	192,147	224,067	278,621	334,829	389,383	443,937	2,484,061
Video Hosting	11,579	13,857	17,261	20,769	24,173	30,233	36,476	42,536	52,892	63,563	73,919	84,275	471,533
Serving Fee	49,312	58,264	70,765	83,645	96,145	115,162	134,756	153,773	184,283	215,718	246,229	276,740	1,684,792
Total Video Streaming	\$ 475,073	\$ 562,557	\$ 678,260	\$ 797,469	\$ 913,170	\$ 1,118,945	\$ 1,330,955	\$ 1,536,727	\$ 1,880,009	\$ 2,233,697	\$ 2,576,980	\$ 2,920,263	\$ 17,024,105

Imaging													
Image Only Master Server	\$ 13,694	\$ 15,120	\$ 18,506	\$ 21,994	\$ 25,380	\$ 30,904	\$ 36,596	\$ 42,120	\$ 51,743	\$ 61,657	\$ 71,280	\$ 80,903	\$ 469,897
1st Addl Distributed Server	2,118	2,688	3,290	3,910	4,512	5,494	6,506	7,488	9,199	10,961	12,672	14,383	83,221
Additional Distributed Server	529	672	822	978	1,128	1,374	1,626	1,872	2,300	2,740	3,168	3,596	20,805
Image Capture, Processing & Hosting	19,446	22,045	26,982	32,068	37,005	45,059	53,358	61,412	75,442	89,898	103,928	117,958	684,601
Monthly Charge Based on Hfs on Site	27,301	31,320	38,067	45,018	51,765	62,962	74,498	85,695	104,644	124,166	143,115	162,064	950,615
Total Imaging	\$ 63,068	\$ 71,845	\$ 87,667	\$ 103,968	\$ 119,790	\$ 145,793	\$ 172,584	\$ 198,587	\$ 243,327	\$ 289,423	\$ 334,163	\$ 378,904	\$ 2,209,139

Hit Count
Revenue Calculations

The following formulas are based on information found in "Revenue Assumptions":

Video Streaming (Quarterly Calculations)

Video/Image Master Server	= Increase in Master Servers (Table 1)	X	Video and Image Master Server (Table 4)	X	Percentage of Clients with 1st Distributed Server (Table 4)
1st Distributed Server	= Increase in Master Servers (Table 1)	X	1st Distributed Server (Table 4)	X	Average Number of Additional Distributed Servers (Table 4)
Additional Distributed Server	= Increase in Master Servers (Table 1)	X	Additional Distributed Servers (Table 4)	X	1-Percentage of Clients Using Frame Touch-ups (Table 4)
Video Processing	= Video minutes Processed per quarter (Table 2)	X	Video Processing per Minute (Table 4)	X	Percentage of Clients Using Frame Touch-ups (Table 4)
Video Processing with Frame Touch Ups	= Video minutes Processed per quarter (Table 2)	X	Video Processing per Minute with Frame Touch-ups (Table 4)	X	
Video Hosting	= Cumulative Number of GB for Video Hosting per qtr (Table 2)	X	Video Hosting per GB (Table 4)	X	
Serving Fee	= Cumulative Number of GB Being Served per qtr (Table 2)	X	Serving Fee per GB (Table 4)	X	

Imaging (Quarterly Calculations)

Image Only Master Server	= Increase in Master Image-Only Servers (Table 5)	X	Image Only Master Server (Table 8)	X	Average Number of distributed servers (Table 8)
1st Addl Distributed Server	= Increase in Master Image-Only Servers (Table 5)	X	Distributed Server (Table 8)	X	Average Number of Additional Distributed Servers (Table 8)
Additional Distributed Server	= Increase in Master Image-Only Servers (Table 5)	X	Additional Distributed Servers (Table 8)	X	
Image Capture, Processing & Hosting	= Increase in Master Image-Only Servers (Table 5)	X	Total Ave Fee per client (Table 8)	X	
Monthly Charge Based on Hits on Site*	= Cumulative Master Image-Only Servers (Table 5)	X	Total Ave Monthly Payment per Client (Table 6)	X	

These formulas describe the basis upon which the revenue projections were calculated. The exact formulas are as follows:

YEAR ONE:

- Both - Month 1 = no cash collections
- Image - Month 2, 5 and 8 = a discounted calculation as follows: (60% of result of formula above)/3
- Image - Month 2, 5, 8 and 11 = (result of formula above)/3
- Both - Month 3, 6, 9 and 12 = an averaging calculation as follows: (Prior month)* [(Two months forward - Prior month)*.33]
- Both - Month 4, 7 and 10 = an averaging calculation as follows: (Two months prior)* [(Next month - Two months prior)*.67]
- Video - Month 11 = (Formula above)/3

YEAR TWO (BOTH):

- Month 1, 4, 7 and 10 = (Two months prior) + [(Next month - Two months prior)*.67]
- Month 2, 5, 8 and 11 = (result of formula above)/3
- Month 3, 6 and 9 = an averaging calculation as follows: (Prior month)* [(Two months forward - Prior month)*.33]
- Month 12 = (2*Prior month)-Two months prior

* Note: Monthly Charge Based on Hits on Site does not require monthly proration

Revenue Assumptions

VIDEO STREAMING

Table 1 - Master Video Server Penetration, Minutes, GB Hosting and Serving

Industry	Quarterly Growth	YEAR ONE				YEAR TWO			
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Hotel & Resort Properties	35%	2	3	4	5	7	9	12	16
Entertainment	45%	1	1	2	3	5	8	12	18
Advertising	35%	2	3	5	7	10	14	19	26
Automotive	25%	1	1	2	3	4	5	7	9
Health Care	60%	1	2	4	7	12	20	32	52
Digital Video Encoding	75%	1	2	4	7	13	23	41	72
Executive Search, Modeling, Dating	40%	1	1	2	3	5	7	10	14
Increase in Master Video Servers:		9	4	10	12	21	30	47	74
Cumulative Master Video Servers:		9	13	23	35	56	86	133	207

Table 2

Video minutes Processed per quarter	11,103	20,169	40,327	69,545	127,914	223,139	392,641	682,330
Cumulative Number of GB for Video Hosting per qtr	278	504	1,008	1,739	3,198	5,578	9,816	17,058
Cumulative Number of GB Being Served per qtr	713	848	1,692	2,669	4,600	7,590	12,140	19,439

Table 3 - Video Processing, Hosting & Serving Per Client

	ave minutes per video	# of videos to encode/qtr/client	total minutes per quarter, per client	Conversion of 1 minutes of Video to a GB	GB Hosted per quarter per client	# of Playbacks per video/Qtr	GB Served per Quarter per client
Hotel & Resort Properties	5	1	5	0.025	0.125	270	1.69
Entertainment	45	15	675	0.025	16.875	650	548.44
Advertising	0.5	2	1	0.025	0.025	450	0.56
Automotive	3	2	6	0.025	0.15	270	2.03
Health Care	20	3	60	0.025	1.5	270	20.25
Digital Video Encoding	5	1800	9000	0.025	225	10	112.50
Executive Search, Modeling, Dating	3	450	1350	0.025	33.75	15	25.31

Table 4 - Pricing

	Fee Yr.1	Fee Yr.2
Video and Image Master Server	\$25,000	\$22,500
1st Distributed Server	\$5,000	\$4,500
Additional Distributed Servers	\$2,500	\$2,250
Percentage of Clients with 1st Distributed Server	30%	40%
Average Number of Additional Distributed Servers	0.50	1.8
Video Processing per Minute	\$5.00	\$5.35
Video Processing per Minute with Frame Touch-ups	\$40.00	\$42.80
Percentage of Clients Using Frame Touch-ups	4%	4%
Video Hosting per GB	\$12.00	\$13.00
Serving Fee per GB	\$35.00	\$38.00

IMAGING

Table 5 - Master Imaging Server Penetration, Minutes, GB Hosting and Serving

Industry	Quarterly Growth	YEAR ONE				YEAR TWO			
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Hotel & Resort Properties	50%	2	3	5	8	12	18	27	41
Entertainment	75%	2	4	7	13	23	41	72	126
Automotive	20%	0.5	1	2	3	4	5	6	8
Health Care	75%	2	4	7	13	23	41	72	126
Executive Search, Modeling, Dating	40%	2	3	5	7	10	14	20	28
Increase in Master Image-Only Servers		8.5	6.5	11	18	28	47	78	132
Cumulative Master Image-Only Servers		8.5	15	26	44	72	119	197	329

Table 6 - Site Connection

Monthly Charge Based on Hits on Site	Fee/Hit	Ave. # of Hits at each level	% of Total Client sites at each traffic level	Ave Monthly Payment per Client
Monthly Minimum	\$ 0.10	1500	25%	\$ 37.50
1 - 4999 Hits; Rate per Hit	\$ 0.10	2500	30%	\$ 75.00
5000 - 9999 Hits; Rate per Hit	\$ 0.07	7500	25%	\$ 131.25
10000 - 24999 Hits; Rate per Hit	\$ 0.05	17500	15%	\$ 131.25
25000 + Hits; Rate per Hit	\$ 0.03	40000	5%	\$ 60.00
Total			100%	\$ 435.00

Table 7 - Image Capture, Processing & Hosting

	Fee per Shot	Ave # of shots per client	Ave Fee per client
Single Shot	\$ 68	4.0	\$272
1/4 Pan & Zoom	\$ 225	4.0	\$900
1/2 Pan & Zoom	\$ 435	1.0	\$435
3/4 Pan & Zoom	\$ 655	0.5	\$328
Full Pan & Zoom	\$ 855	0.5	\$428
Total		10.00	\$2,362

Table 8 - Pricing

	Fee Yr.1	Fee Yr.2
Image Only Master Server	\$ 1,800	\$ 1,620
Distributed Server	\$ 800	\$ 720
Additional Distributed Servers	\$ 400	\$ 360
Average Number of distributed servers	0.2	0.4
Average Number of Additional Distributed Servers	0.1	0.2

PATROLL ANALYSIS
YEAR ONE

Position	TOTAL EXPENSES												Total	
	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12		
President	\$ 9,583	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 168,170
Founder	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	210,000
COO	-	-	-	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	121,500
CFO	-	-	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	145,000
Assistant	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	39,996
Dir Mktg	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	84,996
Accountant	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	51,996
Assistant	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	29,004
Tech	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	39,996
Tech	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	39,996
VP Sales and Marketing	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	84,996
VP Manufacturing	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	148,500
Production manager	2,200	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	52,613
Production staff #	1	2	4	6	7	10	11	13	14	15	16	17	17	338,334
Production staff \$	2,917	5,833	11,667	17,500	20,417	29,167	32,083	37,917	40,833	43,750	46,667	49,583	49,583	338,334
Sales support/production sched #	1	1	2	2	2	2	2	2	3	3	3	3	3	75,832
Sales support/production sched \$	2,917	2,917	5,833	5,833	5,833	5,833	5,833	5,833	8,750	8,750	8,750	8,750	8,750	75,832
Sales staff #	2	3	3	5	5	5	6	6	8	8	8	8	8	402,000
Sales staff \$	12,000	18,000	18,000	30,000	30,000	30,000	36,000	36,000	48,000	48,000	48,000	48,000	48,000	402,000
Secretaries/admin #	-	1	1	1	2	2	2	3	3	3	3	3	3	55,992
Secretaries/admin \$	-	2,333	2,333	2,333	4,666	4,666	4,666	6,999	6,999	6,999	6,999	6,999	6,999	55,992
CTO	-	-	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	108,330
Management #	-	-	1	1	1	2	3	3	3	3	3	3	3	124,584
Management \$	-	-	5,417	5,417	5,417	10,833	16,250	16,250	16,250	16,250	16,250	16,250	16,250	124,584
Total Personnel #	18	21	25	29	31	35	38	41	45	46	47	48	48	2,406,831
Total Personnel \$	85,115	117,081	156,581	187,914	193,164	207,330	221,663	229,830	247,663	250,580	253,497	256,413	256,413	2,406,831
Cum Personnel \$	\$ 85,115	\$ 202,196	\$ 358,777	\$ 546,691	\$ 739,855	\$ 947,185	\$ 1,168,848	\$ 1,398,678	\$ 1,646,341	\$ 1,896,921	\$ 2,150,418	\$ 2,406,831	\$ 2,406,831	

Position	OPERATING EXPENSES												Total	
	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12		
President	\$ 9,583	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 168,170
Founder	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	105,000
COO	-	-	-	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	97,200
CFO	-	-	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	145,000
Assistant	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	39,996
Dir Mktg	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	84,996
Accountant	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	51,996
Assistant	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	29,004
Tech	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tech	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VP Sales and Marketing	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	84,996

PAYROLL ANALYSIS													
Position	YEAR ONE												
	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	Total
VP Manufacturing	-	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	148,500
Production manager	-	-	-	-	-	-	-	-	-	-	-	-	-
Production staff	-	-	-	-	-	-	-	-	-	-	-	-	-
Production staff \$	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales support/production sched	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales support/production sched \$	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales staff #	2	3	3	5	5	5	6	6	8	8	8	8	8
Sales staff \$	12,000	18,000	18,000	30,000	30,000	30,000	36,000	36,000	48,000	48,000	48,000	48,000	402,000
Secretaries/admin #	-	1	1	2	2	2	3	3	3	3	3	3	3
Secretaries/admin \$	-	2,333	2,333	4,666	4,666	4,666	6,999	6,999	6,999	6,999	6,999	6,999	55,992
CTO	-	-	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	108,330
Management #	-	-	1	1	1	2	2	2	2	2	2	2	2
Management \$	-	-	4,334	4,334	4,334	8,666	13,000	13,000	13,000	13,000	13,000	13,000	99,668
Total Personnel #	12	14	15	17	18	19	21	22	24	24	24	24	24
Total Personnel \$	61,665	88,332	117,999	140,799	143,132	147,464	157,798	160,131	172,131	172,131	172,131	172,131	1,705,844
Cum Personnel \$	\$ 61,665	\$ 149,997	\$ 267,996	\$ 408,795	\$ 551,927	\$ 699,391	\$ 857,189	\$ 1,017,320	\$ 1,189,451	\$ 1,361,582	\$ 1,533,713	\$ 1,705,844	

COST OF GOODS SOLD													
Position	YEAR ONE												
	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	Total
President	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	105,000
Founder	-	-	-	-	-	-	-	-	-	-	-	-	-
COO	-	-	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	24,300
CFO	-	-	-	-	-	-	-	-	-	-	-	-	-
Assistant	-	-	-	-	-	-	-	-	-	-	-	-	-
Dir Mktg	-	-	-	-	-	-	-	-	-	-	-	-	-
Dir Mktg	-	-	-	-	-	-	-	-	-	-	-	-	-
Accountant	-	-	-	-	-	-	-	-	-	-	-	-	-
Assistant	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	39,996
Tech	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	39,996
VP Sales and Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-
VP Manufacturing	2,200	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	52,613
Production manager	1	2	4	6	7	10	11	13	14	15	16	17	17
Production staff #	2,917	5,833	11,667	17,500	20,417	29,167	32,083	37,917	40,833	43,750	46,667	49,583	338,334
Production staff \$	1	1	2	2	2	2	2	2	3	3	3	3	3
Sales support/production sched #	2,917	2,917	5,833	5,833	5,833	5,833	5,833	5,833	8,750	8,750	8,750	8,750	75,832
Sales support/production sched \$	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales staff #	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales staff \$	-	-	-	-	-	-	-	-	-	-	-	-	-
Secretaries/admin #	-	-	-	-	-	-	-	-	-	-	-	-	-
Secretaries/admin \$	-	-	-	-	-	-	-	-	-	-	-	-	-
CTO	-	-	0	0	0	0	1	1	1	1	1	1	1
Management #	-	-	1,083	1,083	1,083	2,167	3,250	3,250	3,250	3,250	3,250	3,250	24,916
Management \$	6	7	10	12	13	16	17	19	21	22	23	24	24
Total Personnel #	23,450	28,749	38,582	47,115	50,032	59,866	63,865	69,699	75,532	78,449	81,366	84,282	700,987
Total Personnel \$	\$ 23,450	\$ 52,199	\$ 90,781	\$ 137,896	\$ 187,928	\$ 247,794	\$ 311,358	\$ 381,358	\$ 456,890	\$ 535,339	\$ 616,705	\$ 700,987	

Budget 881
PATROLL ANALYSIS
YEAR TWO

	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	Total
Position	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 279,996
President	19,167	19,167	19,167	19,167	19,167	19,167	19,167	19,167	19,167	19,167	19,167	19,167	230,004
Founder	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	174,000
COO	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	186,000
Assistant	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	44,004
Dir Mktg	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	93,000
Dir Mktg	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	93,000
Accountant	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	57,000
Assistant	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	32,004
Tech	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	44,004
Tech	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	44,004
VP Sales and Marketing	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	93,000
VP Manufacturing	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	93,000
Production manager	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	174,000
Production staff #	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Production staff #	17	19	20	22	23	23	25	28	28	30	32	32	
Production staff \$	53,834	60,167	63,333	69,667	72,833	72,833	79,167	88,667	88,667	95,000	101,333	101,333	946,834
Sales support/production sched #	4	4	5	5	6	6	6	7	7	7	7	7	
Sales support/production sched \$	12,667	12,667	15,833	15,833	19,000	19,000	19,000	22,167	22,167	22,167	22,167	22,167	224,835
Sales staff #	10	10	11	12	12	14	14	15	15	15	15	15	
Sales staff \$	62,500	62,500	68,750	75,000	75,000	87,500	87,500	93,750	93,750	93,750	93,750	93,750	987,500
Secretaries:admin #	4	5	5	5	5	6	6	6	6	6	6	6	
Secretaries:admin \$	10,400	13,000	13,000	13,000	13,000	15,600	15,600	15,600	15,600	15,600	15,600	15,600	171,600
CTO	12,917	12,917	12,917	12,917	12,917	12,917	12,917	12,917	12,917	12,917	10,833	10,833	150,836
Management #	5	5	5	6	6	6	6	6	7	7	7	7	
Management \$	29,583	29,583	29,583	35,500	35,500	35,500	35,500	35,500	41,417	41,417	41,417	41,417	431,917
Total Personnel #	54	57	60	64	66	69	71	76	77	79	81	81	
Total Personnel \$	313,069	322,002	334,584	353,085	359,418	374,518	380,852	399,769	405,686	412,019	416,268	416,268	4,487,538
Clum Personnel \$	\$ 313,069	\$ 635,071	\$ 969,655	\$ 1,322,740	\$ 1,682,158	\$ 2,056,676	\$ 2,437,528	\$ 2,837,297	\$ 3,242,983	\$ 3,655,002	\$ 4,071,270	\$ 4,487,538	

	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	Total
Position	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 279,996
President	9,584	9,584	9,584	9,584	9,584	9,584	9,584	9,584	9,584	9,584	9,584	9,584	115,008
Founder	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600	139,200
COO	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	186,000
Assistant	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	44,004
Dir Mktg	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	93,000
Dir Mktg	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	93,000
Accountant	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	57,000
Assistant	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	32,004
Tech	-	-	-	-	-	-	-	-	-	-	-	-	-
Tech	-	-	-	-	-	-	-	-	-	-	-	-	-
VP Sales and Marketing	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	93,000
VP Manufacturing	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	174,000
Production manager	-	-	-	-	-	-	-	-	-	-	-	-	-
Production staff #	-	-	-	-	-	-	-	-	-	-	-	-	-
Production staff \$	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales support/production sched #	-	-	-	-	-	-	-	-	-	-	-	-	-

10/14/18
PATROLL ANALYSIS
YEAR TWO

	10	10	11	12	12	14	14	15	15	15	15	15	15
Sales support/production sched \$													
Sales staff #	10	10	11	12	12	14	14	15	15	15	15	15	15
Sales staff \$	62,500	62,500	68,750	75,000	75,000	87,500	87,500	93,750	93,750	93,750	93,750	93,750	93,750
Secretaries/admin #	4	5	5	5	5	6	6	6	6	6	6	6	6
Secretaries/admin \$	10,400	13,000	13,000	13,000	13,000	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600
CTO	12,917	12,917	12,917	12,917	12,917	12,917	12,917	12,917	12,917	12,917	10,833	10,833	10,833
Management #	4	4	4	5	5	5	5	5	5	6	6	6	6
Management \$	23,667	23,667	23,667	28,400	28,400	28,400	28,400	28,400	33,133	33,133	33,133	33,133	33,134
Total Personnel #	28	29	30	32	32	35	35	36	37	37	37	37	37
Total Personnel \$	218,335	220,935	227,185	238,168	238,168	253,268	253,268	259,518	264,251	264,251	262,167	262,168	2,961,682
Cum Personnel \$	\$ 218,335	\$ 439,270	\$ 666,455	\$ 904,623	\$ 1,142,791	\$ 1,396,059	\$ 1,649,327	\$ 1,908,845	\$ 2,173,096	\$ 2,437,347	\$ 2,699,514	\$ 2,961,682	

COST OF GOODS SOLD

	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	Total
President	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	114,996
Founder	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	34,800
COO	-	-	-	-	-	-	-	-	-	-	-	-	-
CFO	-	-	-	-	-	-	-	-	-	-	-	-	-
Assistant	-	-	-	-	-	-	-	-	-	-	-	-	-
Dir Mktg	-	-	-	-	-	-	-	-	-	-	-	-	-
Dir Mktg	-	-	-	-	-	-	-	-	-	-	-	-	-
Accountant	-	-	-	-	-	-	-	-	-	-	-	-	-
Assistant	-	-	-	-	-	-	-	-	-	-	-	-	-
Tech	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	44,004
Tech	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	44,004
VP Sales and Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-
VP Manufacturing	-	-	-	-	-	-	-	-	-	-	-	-	-
Production manager	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Production staff	17	19	20	6	7	8	10	11	12	13	32	32	
Production staff \$	53,834	60,167	63,333	69,667	72,833	72,833	79,167	88,667	88,667	95,000	101,333	101,333	946,834
Sales support/production sched #	4	4	5	5	6	6	6	7	7	7	7	7	
Sales support/production sched \$	12,667	12,667	15,833	15,833	19,000	19,000	19,000	22,167	22,167	22,167	22,167	22,167	224,835
Sales staff	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales staff \$	-	-	-	-	-	-	-	-	-	-	-	-	-
Secretaries/admin	-	-	-	-	-	-	-	-	-	-	-	-	-
Secretaries/admin \$	-	-	-	-	-	-	-	-	-	-	-	-	-
CTO	-	-	-	-	-	-	-	-	-	-	-	-	-
Management #	1	1	1	1	1	1	1	1	1	1	1	1	1
Management \$	5,917	5,917	5,917	7,100	7,100	7,100	7,100	7,100	8,283	8,283	8,283	8,283	86,383
Total Personnel #	26	28	30	16	18	19	21	23	24	25	44	44	
Total Personnel \$	94,735	101,068	107,400	114,917	121,250	121,250	127,584	140,251	141,434	147,767	154,100	154,100	1,525,856
Cum Personnel \$	\$ 94,735	\$ 195,803	\$ 303,203	\$ 418,120	\$ 539,370	\$ 660,620	\$ 788,204	\$ 928,455	\$ 1,069,889	\$ 1,217,656	\$ 1,371,756	\$ 1,525,856	

**DEPRECIATION SCHEDULE
YEAR ONE AND YEAR TWO**

TYPE OF EQUIPMENT	YEAR	LIFE	TOTAL COST	DEPRECIATION	
				YEAR 1	YEAR 2
SOFTWARE	1	2	\$ 35,200	\$ 17,600	\$ 17,600
SOFTWARE	2	2	38,288		19,144
					<u>36,744</u>
COMPUTERS, VIDEO EQUIPMENT	1	3	266,500	88,833	88,833
COMPUTERS, VIDEO EQUIPMENT	2	3	424,222		141,407
					<u>230,241</u>
TELEPHONE SYSTEM	1	5	200,900	40,180	40,180
TELEPHONE SYSTEM	2	5	428,828		85,766
					<u>125,946</u>
FURNITURE, FIXTURES AND EQUIPMENT	1	7	22,600	3,229	3,229
FURNITURE, FIXTURES AND EQUIPMENT	2	7	30,631		4,376
					<u>7,604</u>
TOTAL DEPRECIATION				<u><u>\$149,842</u></u>	<u><u>\$400,535</u></u>



*A Leader in New Audio/Visual Technologies for
Tomorrow's Markets*

Business Plan

Contact Information:

Brian G. Utley, President

iviewit.com

One Boca Place

2255 Glades Road, Suite 337W

Boca Raton, Florida 33431

561-999-8899

brian@iviewit.com

COPY #: 24 – Electronic Distribution

DATE:

ISSUED TO:

Confidentiality Statement

This business plan and the exhibits hereto (collectively, the "Plan") have been submitted on a confidential basis for use by a limited number of sophisticated investors or acquirers (the "Investor(s)") solely for, and should be used only in connection with, an Investor's consideration of an investment in iviewit.com, Inc., (the "Company"). Its use for any other purpose is not authorized. Any reproduction or distribution of the Plan, or re-transmittal of its contents, in whole or in part, without the prior written consent of the Company is prohibited.

This Plan contains certain information of a highly confidential nature, including projections by the Company's management of the Company's performance and other material of a forward-looking nature. The receipt of this Plan constitutes an agreement on the part of the recipient hereof to maintain the confidentiality of the information contained herein or any additional information subsequently delivered in connection herewith. Investors who accept this Plan or become aware of the information contained herein must understand and comply with the extensive restrictions imposed by Federal and State securities laws upon their ability to disclose information contained herein to others or to participate in or otherwise effect or facilitate any transaction relating to any securities of the Company. Investors who cannot comply fully with such restrictions should not review the information contained herein and should immediately return this Plan to the Company.

Epstein, Alan

3744-0016

From: Kathy Yeung [kathyyeung@sroconsultants.com]
Sent: Wednesday, February 02, 2000 12:43 PM
To: utley_b@bellsouth.net
Cc: alps@netline.net; aepstein@ahjtw.com; heather@megalv.com; meganyc@aol.com; dg_kane@msn.com; cwheeler@proskauer.com; bchs@bellsouth.net; jarmstrong1@home.com; caroldr@att.net
Subject: Master Copy of the Business Plan

Iviewit Business Plan

Master C...

Brian:

Per our conversation this afternoon, I have attached the Master Copy of the Business Plan for iviewit.com. I have incorporated Danny's write up and completed the comparative analysis. And once your accounting dept. has revised the format of the financials and you have reviewed the numbers (hopefully to include Danny's proposed \$3 million marketing budget), then those updated financials can be inserted into your Master Copy document.

It has been a pleasure working with you and all of the people at iviewit.com. I appreciate all the timely feedback, support and input I received to finish this Plan. Feel free to call if you have any questions.

Best,
Kathy

to: iviewit /
business plan file



*A Leader in New Visual Technologies for Tomorrow's
Markets*

Business Plan

Contact Information:

Brian G. Utley, President & COO

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This Plan contains certain information of a highly confidential nature, including projections by the Company’s management of the Company’s performance and other material of a forward-looking nature. The receipt of this Plan constitutes an agreement on the part of the recipient hereof to maintain the confidentiality of the information contained herein or any additional information subsequently delivered in connection herewith. Investors who accept this Plan or become aware of the information contained herein must understand and comply with the extensive restrictions imposed by Federal and State securities laws upon their ability to disclose information contained herein to others or to participate in or otherwise effect or facilitate any transaction relating to any securities of the Company. Investors who cannot comply fully with such restrictions should not review the information contained herein and should immediately return this Plan to the Company.

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Executive Summary

Company

iviewit.com is engaged in the application of new visual technologies for the use of consumers to make their experience over the Internet dynamic and real. iviewit.com's mission is

- to license its video streaming and imaging technologies,
- to develop new markets and applications, and
- to build a platform for visual technologies.

iviewit.com believes that there is a virtually unlimited growth opportunity for its proprietary visual Internet media. Once it has secured funding, iviewit.com will focus on aggressively licensing and producing its video streaming and imaging technologies to establish a branded leadership position for enhancing images viewed over the Internet.

iviewit.com Enabling Technologies

iviewit.com has developed two complimentary technologies to enhance images delivered over the Internet. The first is a state-of-the-art, proprietary technology, enabling full screen, high quality streaming video to be viewed by any internet video player with increased quality and reduced file size. Broadband and modem users can see the streaming video with no appreciable download time required. The second digital imaging technology creates an opportunity for full screen still images and panoramas that can be magnified with minimal image distortion. iviewit.com has protected its enabling technologies by filing and securing eight provisional patent pending applications for its video streaming and imaging technologies.

Benefits of iviewit.com's Enabling Technologies

The benefits of iviewit.com's enabling technologies are as follows:

- it will enhance the image quality of any video content streamed over the Internet regardless of which player is used to view the video
- it will enhance the ability to view still images on the Internet by allowing for incredible zoom and panning by the user
- it will reduce the cost of serving the file for the host sites

Products and Services Offered

iviewit.com intends to create a profitable, recurring stream of income by licensing the following products and performing the following services:

- Site Licensing for the Distribution of Product Processed by iviewit.com
- Image and Video Processing
- Web Hosting of Image and Video Content, Linked to a Client's Site
- Photographic or Video Recording Services
- Web Site Creation and Hosting

Market Penetration Strategy & Launch

iviewit.com has secured license agreements with Hyatt Hotel & Resorts, Great Expectations Dating Service and Kids Camps. In addition, iviewit.com is currently negotiating with major corporations such as @merican enterprise.com, 3Com, Playboy, Hollywood.com, Broadway.com, University of Florida, and CBS Sportsline.com. The response to the technologies and licensing cost has been very positive. While iviewit.com's enabling technologies are applicable across a wide spectrum of Business to Business (b2b) and Business to Consumer (b2c) Internet sites, iviewit.com will concentrate its early initiatives in the following areas: Advertising, Entertainment, Health Care, Hotel and Resorts, Luxury Items, Executive Search, Sports, Modeling, and Dating Services.

iviewit.com plans to highlight its video streaming enabling technologies with high profile sites and events. Current negotiations include opportunities with CBS Sportsline.com, Broadway.com and an Internet event called i.m. Nomad. The i.m. Nomad event is an Internet mini-series consisting of 15 four-minute episodes starring internationally renowned supermodels Heidi Klum, Estella Warren and Rachel Roberts.

Management Team

iviewit.com has a strong, well-experienced and diversified management team, Board of Directors, Advisory Board and Consultants. The initial key management team includes a President and COO, a CTO and a VP of Sales and Marketing. This team has extensive experience in technology, management and financial services. The Board of Directors and Advisory Board is equally well experienced with backgrounds in running large corporations, developing technologies, dealing with patent and business legal issues, financing start-up companies and preparing companies for an IPO.

Strategic Alliances with Real 3D

iviewit.com has signed a strategic partnership with Real 3D, the premier supplier of 3D graphics technology in the world, holder of more than 40 patents in 3D visualization technology and strategically partnered with Lockheed Martin, Silicon Graphics and Intel. Real 3D is providing hosting, serving and technology enhancement services to iviewit.com.

Financial Summary

iviewit.com is seeking \$XX million in capital to expand its current operations. The funds will be used to expand the current management team and staff, promote and market the technologies, and support iviewit.com until its expected break-even in 20 months. Once break-even occurs, iviewit.com rapidly begins generating strong cash flow and gross margins topping fifty percent. At the end of FY Two, iviewit.com is projected to be licensing and supplying its video streaming technologies to over 200 customers and its imaging technologies to over 300 customers. Within two years, revenues are expected to achieve a rate of \$19 million per annum and a net margin of 33%.

Potential exit strategies for iviewit.com may include any one, or a combination, of the following activities: IPO, Partner with Another Company, Spin-off Technologies Application and/or Create Multiple Companies for Different Markets.

Company

Company Background

iviewit.com, Inc., located in Boca Raton, Florida, was formed in 1999 under the laws of the state of Delaware. iviewit.com was formed to research, develop, license and sell Internet based visualization products and services to the vast growing e-commerce market. iviewit.com has developed state-of-the-art proprietary technologies enabling full screen, TV quality streaming video and digital imaging for the Internet. The streaming video can be seen by both broadband and modem users with no download time required. The digital imaging allows for full screen still images or panoramas that can be magnified with minimal image distortion. iviewit.com has protected its technologies by filing and securing eight provisional patent pending applications for its video streaming and imaging technologies. (Please see the section titled "Proprietary Technologies and Patents Pending" under the Product Description for more details).

Seed funding for iviewit.com was received in September '99 from Huizenga Holdings, Inc. Huizenga Holdings is controlled by Wayne Huizenga, a successful industrialist best known for starting Blockbuster Video and owning major sports teams such as the NFL Miami Dolphins and NHL Florida Panthers. This seed funding allowed iviewit.com to start operations in its current location in October. Since that time iviewit.com has established a demonstration web site, initiated digital imaging production through a sub contract with Strategic Partner Real 3D, continued development of the iviewit.com video process and hired an initial sales staff. iviewit.com has refined its technologies for commercial exploitation and early sales contacts and contracts have confirmed the commercial value of iviewit.com's technologies. iviewit.com is now seeking financing to realize the potential of its products and technologies.

iviewit.com was initially formed as a limited liability company. For various business reasons, the Board authorized the conversion of iviewit.com into a 'C' corporation. This was accomplished on December 29, 1999. iviewit.com, Inc., a Delaware corporation ("iviewit.com"), is a wholly-owned subsidiary of iviewit Technologies, Inc., also a Delaware corporation ("Technologies") and is the operating company for the iviewit entities. Technologies, a majority owned subsidiary of iviewit Holdings, Inc., a Delaware corporation ("Holdings"), owns or controls all of the patents, trademarks, copyrights, trade secrets and all of the other proprietary intellectual property. Technologies, in turn, has entered into a license agreement with iviewit.com whereby iviewit.com has the right to sublicense and exploit Technologies' intellectual property to and with third parties.

Key Management

- **Brian Utley, President and Chief Operating Officer** - Mr. Utley has been involved in the computer industry since 1955, 37 years of which were with IBM. He has been in senior management and executive positions since 1965 culminating in his responsibility as Vice President and General Manager of IBM Boca Raton with a population of over 6,000 professionals. During his career he has been responsible for advanced technology product development on many fronts. In addition he was

responsible for a number of IBM's overseas activities including product development, product management and market development. The most notable of which was the introduction of the IBM PC to Europe. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results.

- **Eliot I. Bernstein, Founder and Chief Technology Officer** - Mr. Bernstein, a graduate of University of Wisconsin in psychology with a minor in computer science, spent 15 years in a highly successful insurance career during which he created many innovative and effective computer based, multimedia marketing tools. These products remain in use today to service over \$1 billion of insurance business. In 1998, like many entrepreneurs, Eliot chose to risk everything to pursue his dream of creating high impact visual applications for the Internet and iviewit.com was born. He combined his passion for photography and video with a burning desire to see the Internet evolve from a text-based medium to a visual tool. As Chief Technology Officer Eliot oversees the development of all aspects of iviewit.com's imaging and video technologies. As the inventor behind the patents now in process at the US Patent Office Eliot continues to play a key role in the development of visualization technologies and is committed to insuring that iviewit.com maintains its leadership position in the industry.
- **Jim Armstrong, VP of Sales and Marketing** – Mr. Armstrong has owned and operated The Armstrong Group, Ltd. since 1982, and still receives ongoing royalties from the business. The Armstrong Group is a financial planning, insurance consulting and sales firm targeting the corporate executive and high net-worth markets. Jim also worked for Prudential Securities as the National Sales Manager for its Primary Client Services and Life Agency Divisions. In the Primary Client Services Division, Jim directed the sales effort for the company's retirement products, financial planning capabilities and central asset account. In the Life Agency Division, Jim was responsible for building the infrastructure for this start-up venture. He developed marketing materials, formulated policies and procedures, and recruited and supervised a national network of planning specialists.

Although the current key management team's vast experience is a tremendous asset, iviewit.com understands that it needs to assemble a more diversified, highly qualified management team. Once funding is secure, iviewit.com intends to fill the following additional key positions within 60 days:

- Chief Executive Officer
- Chief Financial Officer
- EVP of Sales & Marketing
- VP of Licensing

Board of Directors

- **Brian G. Utley, President & COO**
- **Eliot I. Bernstein, Founder & CTO**
- **Simon L. Bernstein, Chairman of the Board** - Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over \$800 million in life premium sales. Mr. Bernstein's career in the life insurance industry began in 1965 when he became the top producer for Aetna Life and Casualty Company. He has remained in the top 5% of life insurance sales agencies since that time. Mr. Bernstein supplied the initial “angel” investment for iviewit.com
- **Gerald R. Lewin, Director** - Gerald Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. In 1981, Mr. Lewin joined Donald Goldstein to form Goldstein Lewin & Co., which currently is a leading 30 man southeastern accounting firm. Mr. Lewin specializes in business consulting and is highly knowledgeable in many areas of accounting, tax and financial planning. Mr. Lewin is a member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.
- **Maurice R. Buchsbaum, Director** – Mr. Buchsbaum has engaged in corporate finance projects as a principal, advisor, consultant, officer, director or senior managing director for the past 27 years. As a partner or senior officer of several leading investment banks (including Drexel Burnham, Kidder Peabody and JW Genesis), he has worked in all aspects of corporate finance. He formed Emerald Capital Partners in early 1999, to provide strategic planning and banking advice to a myriad of small and medium sized American growth companies. He has engaged in numerous public and private transactions and activities that include seed capital, early stage financing, major and late stage strategic finance, restructuring and mergers/acquisitions ranging in size from \$1 million to \$700 million. His industry experience includes health care, technology, telecommunications, biotechnology, financial services, environmental, and airlines. He holds BS and MBA degrees with honors from Ohio State University, and was a fellow in the doctoral program at Northwestern University.

Strategic Partners & Investors

- **Real 3D®, Inc.** – iviewit.com is currently engaged in a strategic partnership with Real 3D, a well-respected technology company that is owned by Lockheed Martin, Silicon Graphics Inc. and Intel, who is providing hosting, serving and technology enhancement services. Real 3D has participated in the technology evaluation phase of iviewit.com's proprietary Imaging and Video Streaming products. Real 3D has found iviewit.com's web-based products to offer an extraordinary high-resolution panoramic view capability that can have many uses in the e-commerce arena.
- **Huizenga Holdings, Inc.** - Huizenga Holdings Inc. through Investech Holdings, LLC is the founding equity partner of iviewit.com. Huizenga Holdings Inc. brings a strategic portfolio of Internet investments and businesses, which has helped fuel the expansion of iviewit.com's video and imaging technologies. Huizenga Holdings is controlled by Wayne Huizenga, a successful industrialist best known for starting Blockbuster Video and owning major sports teams such as the NFL Miami Dolphins and NHL Florida Panthers.

iviewit.com also has an Advisory Board, Legal Counsel and Business Consultants who bring an extensive knowledge base, business connections and experience to the development of iviewit.com. Please see "Attachment B – iviewit.com's Advisory Board, Legal Counsel and Consultants" for more details.

Industry Analysis

Broadband Industry

The transmission of data intensive content over the Internet has been limited due to historical bandwidth constraints. However, the increasing availability of improved delivery systems, such as digital cable modems, T-1 lines, satellite delivery systems and

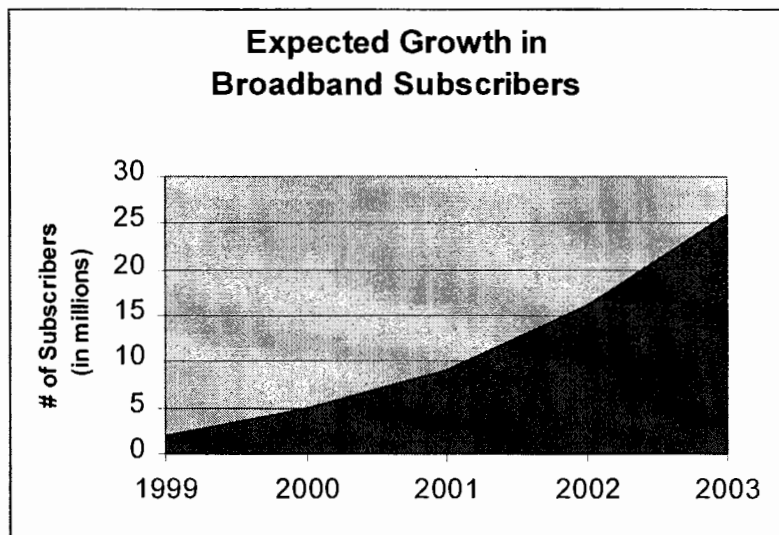


Chart 1.0 - Forrester Research and Broadband Intelligence

(serviced by phone companies) will nearly triple to 1.4M in 2000 from 500,000 in 1999.¹ And the total number of broadband subscribers by the end of Year 2002 and 2003 is expected to be 16 million and 26 million, respectively.²

The broadband industry is drawing billions of dollars in capital investments to develop the necessary infrastructure for broadband content and delivery. The cable companies are massively marketing this existing user base to include broadband access. Similarly, the telephone companies are upgrading their lines to offer DSL access. In addition, major hardware manufacturing companies, application developers and content providers are racing to be the de facto standard for broadband delivery.

Streaming Media Industry

Multimedia streaming technology is bringing new levels of versatility, quality and simplicity to the creation and distribution of multimedia content over the Web. One measure of the growth in use of streaming media is the number of registered users posted by RealNetworks, a company that develops software used by broadcasters to stream multi-media content over the Internet. The first RealPlayer was released in 1995, and to

¹ Broadband Intelligence July 1999

² Forrester Research

DSL networks are enabling the use of more feature-rich multimedia content. These broadband systems typically allow sustained data transfer to the user of at least 256 kilobits per second, or approximately 5 times the access speed of the fastest standard narrowband modems.

US cable modem subscribers are expected to increase to 3.3 M in 2000 (up from 1.6M in 1999). DSL customers

date over 80 million unique users have been registered. The RealPlayer download rate now exceeds 175,000 per day, an increase of more than 270% since the beginning of 1997.

The emergence of rich multimedia capabilities, such as streaming audio and video, will continue to enhance the effectiveness of the Web as a mass communications medium and Intranets as a means to improve corporate communications. Content delivered through traditional media, such as television and radio, will be increasingly delivered over the Internet.

Digital Imaging Industry

Fundamental changes are occurring in the photography industry with the introduction of the digital camera. The digital camera allows the user to take pictures and display them digitally, either on a personal computer or over the Internet, without the need for traditional film development. Because digital cameras were initially expensive, early adopters of this technology were Professionals and hobbyists. Recently, sales of digital cameras have grown substantially due to improved performance and lower unit prices. IDC forecasts that worldwide digital camera shipments will grow from 2.7 million units in 1997 to 29.5 million units in 2002.

Companies are increasingly using digital imaging to effectively promote their products on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat two-dimensional images offering a limited field of view. Technological innovations that enhance realism and interactivity and contribute to a viewer's retention to that web site will facilitate the success of e-commerce by leading to increased sales and advertising rates. Specifically, immersive imaging, or the ability to create the viewing perspective of being inside the image, is becoming increasingly popular with many web sites. However, image creation with many of the existing immersive technologies is labor intensive and requires proprietary hardware. Conditions such as inadequate lighting, subject motion or lack of portability reduce the effectiveness of the image. As a result, market acceptance of these technologies has been limited.

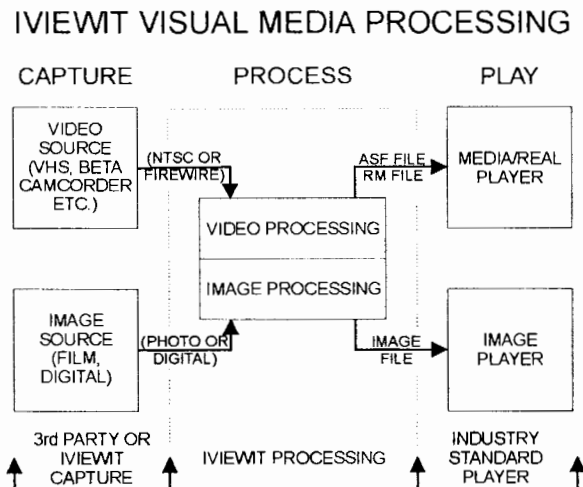
In order for widespread adoption of immersive imaging by businesses and consumers to occur, new immersive technologies must offer the following benefits:

- Ease of creating and viewing an image
- Ease of distributing and sharing the image
- Portability of the capture device
- Cost effectiveness
- Use of standardized technology
- Platform independence

Products & Services Description

Process

iviewit.com's impressive visual media products are the result of several years of development focused on the entire process of image/video delivery over the Internet. Care has been taken to be platform agnostic to preserve the broadest possible range of application. iviewit.com's suite of technology processes work across all industry platforms. Therefore, iviewit.com's process will enhance both Microsoft's media player and Real Network's players. The result is industry leadership products without requiring special downloads or equipment. iviewit.com processes are proprietary and protected as trade secrets and provisional patent pending applications filed with the U.S. patent office. While video and imaging are treated separately, it should be noted that they are complementary both from a process point of view and from a customer perspective. Many potential customers have both requirements such as the resort and hotel industry and the health care industry. iviewit.com views these products as an integral part of a sales portfolio.



Video Streaming

Streaming video is the most exciting form of content distribution over the Internet and has challenged the industry since the inception several years ago. Current processing techniques do not provide solutions for clear, full motion, full screen streaming video. iviewit.com has developed encoding solutions that do provide for full motion, full screen streaming video at speeds ranging from 125 Kbps and upward. These competitive advantages are at the core of iviewit.com's market opportunity.

Motion is a particular challenge because the image refresh process tends to produce highly distorted pictures. iviewit.com has succeeded in producing VHS quality video over broadband networks and significantly improved narrowband speed results. These results are obtained while minimizing the bandwidth required for the streaming video event.

Internet ready streaming digital files are produced from virtually any source creating NTSC (US) compatible or IEEE 1394 firewire interfaces. Other modality such as PAL or SECAM can be accommodated. The output digital files are MS Media Player or RealNetworks RealPlayer compatible. Individual files are produced for either modem or broadband use and designed to minimize the amount of bandwidth required to produce the highest possible quality image. iviewit.com's processing times range from 3X to 6X the playtime of the video depending upon the length of the video and the output file. The proprietary process is extendable to include video acquisition. Even though this phase is not a pre-requisite, improvements in final video quality are attainable by using iviewit.com's *total video process*.

Digital Imaging

iviewit.com offers a wide range of "over the web" high quality, full screen imaging technologies. Images processed by iviewit.com can be viewed with zoomable and panoramic images of up to 360 degrees. Images produced by iviewit.com's proprietary process are identical in quality regardless of speed on the end-user's Internet connection speed. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. Output file sizes typically range from 30KB to 400KB for a full 360-degree panorama. Source material may be conventional emulsion type film or digital. Special photographic techniques are employed to ensure the final quality of the process ("garbage in, garbage out"). Unlike conventional web-ready images which become severely distorted after magnification attempts of just 1-2 times, iviewit.com processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. Real 3D engineering teams have reviewed the imaging process and results, and the comment from their review was "superb" and "elegant".

These are the types of digital images that iviewit.com can create with its technologies:

- **Single shot** - A single photo frame. Used for simple flat scenes or objects with depth imaging.
- **Quarter Pan and Zoom** - Typically 3 photo frames stitched together to provide a wide perspective and up to a 90 degree camera sweep angle. Used for small rooms or wide objects.
- **Half Pan and Zoom** - Typically 6 photo frames stitched together to provide up to a 180 degree panoramic camera sweep angle. Useful for panning a room from the center of a wall.
- **Three quarter Pan and Zoom** - Typically 10 photo frames stitched together to provide up to a 270 degree panoramic camera sweep angle. Used for a wide panorama or a large room taken from a corner or offset from the center.
- **Full Pan and Zoom** - Typically 13 - 16 photo frames stitched together to provide up to a 360 degree panoramic camera sweep angle. Used for a full outside panorama or a large room from the center of the room.

Proprietary Technologies and Patents Pending

iviewit.com has an extensive portfolio of proprietary technologies in the fields of image and video data processing as well as proprietary technologies for network delivery

systems for delivering its proprietary image and video data and information from a network-based computer platform.

To date, iviewit.com currently holds eight patents pending in the fields of image and video processing, image and video file transmission over a communication network, and video data processing and transmission in a communication network. iviewit.com is aggressively seeking to procure patent protection in the United States and abroad for its patent pending technologies.

iviewit.com has adopted a two-prong approach to building an extensive patent portfolio. iviewit.com plans to continue aggressively developing and seeking patent protection for its own proprietary technologies. iviewit.com will further seek to improve upon existing technologies as these technologies come to the market. While patent pending status does not, in itself, guarantee that a patent will ultimately issue, or that an issued patent will not face a judicial challenge in the Courts or an administrative challenge in the U.S. Patent & Trademark Office, iviewit.com believes that the pending claims in its patent applications are well supported and will provide iviewit.com with broad patent protection. iviewit.com further believes that its proprietary technologies, and related trade secrets, provide it with a substantial competitive advantage.

Future Development

iviewit.com's goal is to maintain a leadership role in visual technologies and continued research and development will be employed to this end. iviewit.com's product output will stress user friendliness, superior picture quality and effective presentation for the experience by the end user.

Extensions of the current technologies are planned to provide similar improvements in videoconferencing. Early testing has validated the feasibility of these extensions and funding will provide the resource necessary to complete the development work. It is estimated that a product could be ready to market within 6 – 9 months from funding. Also, a TV interface adapter, which allows a PC monitor output to be connected to a TV set, is planned for future development. Using a TV this way further enhances the quality of the video since a TV set is optimized for displaying video images.

Products and Services Offered by iviewit.com

In order to provide its customers a full range of services to create and offer quality video and images over the Internet, iviewit.com offers the following products and services:

- ***Site Licensing for the Distribution of Product Processed by iviewit.com.*** Each site distributing iviewit.com visual media product must license the technologies. The licensing fee will be collected up front as an annual fee and there may be additional royalties due within each annual licensing period for expanded use of the product.
- ***Image and Video Processing.*** There is an option between basic processing or edited content processing for a higher quality output. Priority and standard time processing is provided. Priority processing guarantees a next day delivery via file transfer

protocol to the customer or iviewit.com site. Standard delivery is within 5 working days.

- ***Web Hosting of Image and Video Content, Linked to a Client's Site.*** This service will be for content owners who do not have the server capacity to store or stream their content and will not be applicable to all clients. This is an extension of the current web site. Seamless linking is a well-established Internet technique and has been validated by iviewit.com testing with prospective customers. Since this is not a core part of its business model, iviewit.com is investigating the option of hosting services through strategic alliances.
- ***Photographic or Video Recording Services.*** iviewit.com has retained the services of a large number of professional videographers in order to handle customer requirements.
- ***Web Site Creation and Hosting.*** Professional designer support is available through iviewit.com's subcontract with Real 3D and other web site specialists. This service is not expected to be a major part of iviewit.com's business.

Market Opportunity & Penetration Strategy

Market Opportunity for Video Streaming

Streaming media is now the most widely used application after browsers and online programs like AOL on the Internet... and it is growing exponentially. Microsoft's Media Player, RealNetworks suite of players and Apple's Quick-Time Player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, *on demand*.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies mentioned above. iviewit.com's suite of technologies will positively affect and benefit all of these parties.

- **End Consumers** – For consumers who have a broadband pipe in their homes, streaming video is the “killer application.” The promise of rich visual content defines the reason for paying between \$40 - \$50 per month for the increased bandwidth. It means that consumers can *see* the entertainment, news, product commercials, infomercials and education videos they want at near TV quality. That promise will be maximized by the proliferation of content delivered through and with iviewit.com. The companies responsible for providing the infrastructure for broadband recognize the importance of promoting enabling technologies and driving media rich content to the web. Their paradigm has shifted to include content creation as a significant element of their overall strategy. Greater availability of quality content on the web will increase demand for the pipes necessary to view it. Similarly, the popularity of software applications that “play” the content files will increase dramatically as iviewit.com's technologies will enhance any media player operating on a broadband network and provide video quality full screen streaming media.
- **Business to Business (b2b) E-Commerce Sites** - For b2b e-commerce sites, iviewit.com's technologies will provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product manuals through iviewit.com's proprietary system, business e-commerce sites can leverage their video and image investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality visual experiences. Licensing these b2b sites will be a primary market focus for iviewit.com's technologies.
- **Intellectual Property Owners** - For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues etc., iviewit.com's technologies means that video streaming can finally become a revenue source. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for the small screen, grainy content prevalent on the web today and the pipeline required for serving these files is

expensive. iviewit.com's technologies provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and reducing the digital stream size required to serve them. These solutions are at the core of iviewit.com's competitive market advantage.

- **Digital Distributors** - For digital video distribution companies, iviewit.com's technology efficiency is extremely attractive because it minimizes the required file size, and therefore will decrease the cost of business.

In summary, the market potential for iviewit.com's technologies is enormous. iviewit.com will engage in a high profile launch campaign designed to build awareness for its technologies with all the key market influencers and then concentrate on a licensing program to populate its technologies among b2b and b2c Internet sites.

Market Opportunity for Digital Imaging

Companies are increasingly using digital imaging to promote their products and present information on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat and two-dimensional offering a limited field of view. The alternative, immersive imaging (the ability to create the viewing perspective of being inside the image), is becoming increasingly popular with many web sites, but is still labor intensive, requires proprietary hardware and severely distorts the image after magnification of 1-2 times.

In contrast, iviewit.com's technologies allow for high quality, full screen imaging with zoomable and panoramic images of up to 360 degrees with very high levels of zoomability. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. iviewit.com processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. As a result, iviewit.com will offer higher quality technologies and lower image processing costs than its competitors.

Market Penetration

iviewit.com has already begun to sell its technologies to various corporations and is currently in negotiations with the following potential clients:

- | | |
|--------------------------------|--------------------------------------|
| • 2500 Partners | • Hollywood.com |
| • 3Com | • Hyatt Hotels & Resorts |
| • @merican enterprise.com | • Internet Entertainment Group, Inc. |
| • Armstrong Blum Manufacturing | • KidsCamp.com |
| • Atlas Entertainment | • Lovemate.com |
| • Boca Resort & Beach Club | • Machineweb.com |
| • Broadway.com | • Playboy |
| • Centrack | • Thehealthnetwork.com |
| • CBS Sportsline.com | • University of Florida |

- | | |
|---|--|
| <ul style="list-style-type: none"> • Divine Interventions • Ezlinksgolf.com • Great Expectations | <ul style="list-style-type: none"> • Versifi • Webcasts.com • West Palm Beach Lexus |
|---|--|

iviewit.com has identified various markets to target with its imaging and video streaming technologies. (Please see Attachment C titled “Potential Markets for iviewit.com’s Video & Imaging Technologies” for a list of target markets.) To date, iviewit.com has entered into licensing discussions with firms in Automotive, Health Care, Executive Search, Modeling, Casting and Dating Services industries.

Video streaming and still image enhancement are nascent markets and there are no benchmarks for pricing iviewit.com’s proprietary technology enhancements. Therefore, iviewit.com has based its licensing strategy and product penetration on the following information:

- iviewit.com’s contract negotiations with current clients
- iviewit.com’s understanding of what companies are willing to pay for these technologies, including the business economics of a given industry

iviewit.com has also based its pricing on the fact that there are currently no direct competitors to its technologies. However, as competition prevails and market conditions change, iviewit.com’s pricing will adjust accordingly.

iviewit.com realizes that the needs and budget for each customer and indeed across industries vary tremendously. In response to this, iviewit.com will need to specially craft a licensing contract with each customer. However, the following pricing strategy gives an overall projection of what customers on average will be charged for iviewit.com’s video streaming and imaging products and services.

Initial Market Introduction Strategy

iviewit.com has elected a two prong strategy to initially market its technologies. The first stage is to target high profile intellectual property owners and distributors, as clients, to encode their images and watermark those images with iviewit.com’s logo. Initial clients signed or in negotiation include CBS Sportsline, Hyatt Resorts & Hotels, Broadway.com and Playboy.com. The second stage will focus on acquiring the rights to encode marquee Internet Events, with world-renowned stars that will provide iviewit.com with significant public relations opportunities. Properties in negotiation include i.m. Nomad.com, a made for Internet miniseries starring supermodels Heidi Klum, Estella Warren and Rachel Roberts. Additional launch initiatives include opportunities with Billy Joel, CSNY and The Dixie Chicks.

iviewit.com is developing a marketing plan and detailed budget to attack the key business segments as identified in “Attachment C – Potential Markets for iviewit.com’s Video & Imaging Technologies”. The elements of that plan include

- a national print media campaign targeting corporate decision makers for encoding images for commercial web sites,
- a national b2b Public Relations campaign designed to build awareness and demand for the iviewit.com imaging technologies targeting the streaming media, digital still imaging, and investment communities,
- a trade show plan specifying the number of shows iviewit.com must attend to promote its imaging technologies and an accompanying plan detailing how iviewit.com will effectively present its technologies at those shows,
- sales collateral materials to support the sales force,
- a plan for the acquisition and exploitation of exclusive Internet video events, like i.m. Nomad, to highlight the companies technologies and turbo charge its public relations efforts, and
- a plan and execution strategy to upgrade iviewit.com's web site to promote its technologies and support its customers.

iviewit.com has budgeted three million dollars in marketing expenditures to undertake these marketing activities. iviewit.com has initiated a search for an advertising/new media agency and a public relations agency with demonstrated competence in the b2b technology space to assist the company in developing and implementing the marketing plan.

Pricing Model - Video Streaming

iviewit.com will require an annual license to process a video source into an iviewit.com file to be streamed over the Internet. The licensing fee will depend on the number of distributed servers that the customer uses for its web site. The rationale behind this is that the license fee should be greater if the technologies are being used and exploited by a larger number of users. And generally, web sites that have larger number of users require additional distributed servers. iviewit.com has decided to use distributed servers as a usage benchmark (instead of number of hits to the web site streaming the video) because of the ease in benchmarking the fee to clients.

iviewit.com will also charge a per minute fee for the processing of the video. Depending on the needs of the client, the processing of the video will vary greatly. For example, an advertising agency focused on optimizing 30 and 60 second spots will have vastly different requirements than a worldwide hotel chain with three to five minute infomercials on each property. Additionally, there are different levels of processing costs associated with the image quality required by the client. For a client that does not require frame by frame analysis to its video (i.e. a video segment on a local community college), the amount of labor to process the video is minimal and the cost will be approximately \$5 a minute to process. For clients who require editing for their video, iviewit.com will charge incremental fees priced to account for the time and labor involved.

Although not a core part of its business, iviewit.com will offer video hosting for those clients who need a complete video streaming solution. The monthly storage, database maintenance and serving fee will be based on the number of gigabytes hosted by iviewit.com. iviewit.com sees this pricing model as part of its overall plan to identify and

“brand” itself as a total solution service-oriented business for its clients. iviewit.com will outsource this service with several partners accordingly to the scope and scale of the client requirements

The following outlines the approximate fees for licensing the technologies and video processing.

Video License Charges:		First year	Following years
	Video and image master server	\$25,000	\$22,500
	1st distributed server	\$5,000	\$4,500
	Additional distributed servers	\$2,500	\$2,250
Video Processing		\$/min.	
	Processing of VHS or S-VHS tape to video player format	\$5.00	\$5.35
	Processing of VHS or S-VHS tape to video player format with frame editing	\$40.00	\$42.80
Video Hosting, Monthly Charges		\$/GB/mo.	
	Storage and Data Base Maintenance	\$12.00	\$13.00
	Serving Fee	\$35.00	\$38.00

Pricing Model - Imaging

iviewit.com will require an annual license fee to process still images to a zoomable and/or panoramic iviewit.com digital image. The licensing fee will increase with additional distributed servers used by the customer.

In addition, if the client requires, iviewit.com will arrange for hosting of the images through its strategic alliance with MPI.net.

iviewit.com will offer a turnkey suite of services to its customers that include: capturing, processing and hosting the images. (Please see the section titled “Digital Imaging” under the Products and Services Description for details on the types of images iviewit.com can create.) In addition to the per image processing fee, iviewit.com will also charge a monthly fee for the number of connections made to the site. The site connection rate will be tiered and the monthly minimum fee will be \$150.

The following outlines the approximate fees for licensing the imaging technologies, capturing, processing and hosting, and connecting to the site:

Image License Charges:		First year	Following years
	Image only master server	\$1,800	\$1,620
	Distributed server	\$800	\$720
	Additional distributed server	\$400	\$360
Image Capture, Processing and Hosting:		Each	
	Single shot	\$68	
	Quarter Pan and Zoom	\$225	
	Half Pan and Zoom	\$435	
	Three quarter Pan and Zoom	\$655	
	Full Pan and Zoom	\$855	
Monthly Charge Schedule Based on Site Connections:		Rate \$	
	Schedule 1 - 1 to 4,999 hits	0.10	
	Schedule 2 - 5,000 to 9,999 hits	0.07	
	Schedule 3 - 10,000 to 24,999 hits	0.05	
	Schedule 4 - 25,000 + hits	0.03	
	Monthly minimum of \$150		

Competitive Analysis

Streaming Media

There are no direct competitors to iviewit.com in the streaming media industry. Software providers, digital distributors, content

Industry	Company Examples
Software Providers	MS Media Player, RealNetworks
Digital Distributors	InterVU, iBeam
Content Providers	Broadcast.com, AtomFilms.com, Den.net
Encoding Services	Loudeye, Sonic Foundry, VideoDome.com

Table 1.0 – Potential Strategic Partners or Licensees

providers, and encoding services will benefit from the increased use of iviewit.com's technologies and potentially could be strategic partners or licensees.

Although a truly different product than iviewit.com's, encoding services can be considered indirect competitors. The following describes the key companies in the encoding industry:

- **Loudeye** – Loudeye, originally encoding.com, is a provider of digitizing and encoding services and offers streaming media production. Loudeye's Optimized Encoding Process™ and proprietary software offers media compression. The company's partnership with platform developers such as Microsoft, Apple and RealNetworks allows codec support.
- **Sonic Foundry** - Sonic Foundry, Inc. is a provider of PC-based software products that enable users to easily work with and edit digital media. Sonic Foundry's products are used for multimedia and Internet applications, music and audio post-production, broadcast production, and digital content creation. Sonic Foundry's products and services offer media consumers the ability to capture and create media, edit the content, and deliver the information via fixed media or electronic distribution. The company's products are designed to run under both the Windows and Windows NT operating systems.
- **VideoDome.com** – VideoDome.com is a provider of Internet video OnDemand solutions. Using its InstaStream system, the company enables the conversion of standard video footage to video on demand. VideoDome.com offers broadcasting media either via a listing in the VideoDome OnDemand Channel Directory, a company's own existing web site, or a dedicated channel with various features including chat, user subscription options and client customization.

Comparative Review of Major Streaming Video Features (150 kbps)

Company	Full Motion Quality (showcase)	Pixelation and Distortion	Full Screen Quality
Loudeye	No	Minimal	Average; Pixeled and Blurs
Videodome	No; Jerky and Framing	Yes; Complete Break Up and Pixelation	Poor; Complete Breakup

InterVU.com	Yes; Minimal movement	Yes; Grainy And Pixels at Full Screen	Good; Pixels and Blurs
iviewit.com	Yes; High Speed Motion Sports & Music	Minimal	Excellent; Minimal Pixelation and Breakup

Table 2.0 – Video Streaming Competitor Analysis

Digital Imaging

There are various companies offering digital imaging services over the Internet. However, as described in the Products and Services section, iviewit.com offers full screen higher quality images that are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. None of iviewit.com's competitors can provide this type of quality imaging.

The following describes the major competitors to iviewit.com in the digital imaging industry:

- **Bamboo.com** – Bamboo.com provides virtual tours of real estate properties for sale or rent. The tours allow users to view the inside and outside of properties, panning right and left or zooming in for a better look. Bamboo.com charges real estate agents a one-time fee to videotape a property, convert the videotape into a virtual tour, and distribute the tour through Internet sites or e-mail. The company markets its tours through agreements with Web sites such as REALTOR.com and HomeBuilder.com.
- **Interactive Pictures Corporation (IPIX)** - Interactive Pictures puts you in the picture. The company's IPIX technology is used by travel and hospitality (Marriott), publishing (New York Times), real estate (ERA), education (National Geographic), and entertainment (Disney) companies to enhance multimedia content, interactivity, and e-commerce on Web sites. Its Wizard software (sold on a per-use basis) converts two photos taken with a digital camera into one IPIX image. The company also sells IPIX-ready digital cameras and accessories and offers multimedia services. Interactive Pictures, whose shareholders include investor Lee Martin, Motorola, MediaOne, and GE Capital, is merging with Bamboo.com.
- **Live Picture / MGI Software** – Live Picture, Inc. (LPI) provides Internet imaging and is the inventor of zoomable images for the Internet. Live Picture develops and sells a complete suite of image servers and Internet and consumer applications based on its Zoom image technology. Live Picture products are used for creating, managing, and distributing highly detailed images for network and print applications. Live Picture offers several viewing options, including its patent-pending Universal Viewing technology, which requires no special client software, as well as Java applets and plug-ins for viewing and printing.
- **Ulead Systems, Inc.** – Ulead Systems was founded in 1989 to develop and market Windows-based imaging and video production tools that allow people to share their

ideas and memories. The company provides imaging, video, 3D and Internet software for business and personal communication.

Comparative Review of Major Imaging Features

Company	Full Screen	Singe Image Zoom	Image Distortion	Pixelation Upon Zoom	Panning Ability
Bamboo	Yes	Yes	Yes	Yes	Up, Dn, Lt, Rt
IPIX	No	Yes	Yes	Yes	Lt, Rt
MGI Software	No	Yes	Yes	Yes	Up, Dn, Lt, Rt
Ulead	No	No	Yes	Yes	Up, Dn, Lt, Rt
iviewit.com	Yes	Yes	No	No	Up, Dn, Lt, Rt

Table 2.1 – Imaging Competitor Analysis

Timeline

Date	Milestone
First Quarter 2000	Close the Next Tranche of Financing
	Secure Content for Launch of iviewit.com
	Begin Viral Marketing Campaign of iviewit.com
February – April, 2000	Hire Additional Key Executives and Staff
April 15, 2000	Official Marketing Campaign Begins
	Sales & Marketing Team Approaching Potential Clients
May 15, 2000	Official Launch of iviewit.com
Late 2000	Close the Follow-on Tranche of Financing, if necessary
Mid - Late 2001	Exit Strategies May Include: IPO, Partnering with Another Company, Spin-off of Technologies Application and/or Create Multiple Companies for Different Markets

Financial Summary

iviewit.com is seeking \$XX million in capital to grow its current operations. The funds will be used to expand the current management team and staff, promote and market the technologies, and support iviewit.com until its expected break-even in 20 months. Within two years, revenues are expected to achieve a rate of \$19 million per annum and a net margin of 33%. (Please see "Attachment A – Financial Statements" for more details)

Revenue

Revenue by the end of FY One and FY Two is expected to be \$3.2 million and \$42.0 million, respectively. The revenue projections include licensing, processing, hosting and serving fees for iviewit.com's video streaming and imaging technologies.

SG&A Expense

SG&A Expense by the end of FY One and FY Two is expected to be \$3.1 million and \$5.4 million, respectively. Salaries and marketing and promoting iviewit.com's technologies comprise over 60% of the SG&A expenses. The remaining expenses are for basic overhead.

Exit Strategy

By 2002, iviewit.com is expected to have an Earnings Before Interest and Taxes of over \$10 million. At this point, or possibly earlier, there are several exit strategies that could be employed to give investors liquidity, if so desired. The following are possible examples:

- Initial Public Offering
- Partner with Another Company
- Spin-off Technologies Applications
- Create Multiple Companies for Different Markets

Attachment A – Financial Statements



"Iviewit Financials
1.3.xls"

Attachment B – iviewit.com’s Advisory Board, Legal Counsel and Consultants

Advisory Board

- **Don G. Kane** - Don Kane is President of GDI, a privately held holding company that controls 4 business-to-business Internet companies. Prior to joining GDI, Don was a Managing Director in the Investment Banking Division of Goldman Sachs & Co. During his fourteen-year career at Goldman Sachs, Don created the firm's Midwest Financial Institutions practice and founded a Global Financial Institutions Technology Group. Don is a Board member and Vice Chairman of Sagence Systems, Inc., a GDI company and is a member of the Board of Versifi, Inc. and Erogo Systems. Don is an advisor to Signcast, Inc., Gryphon Holdings and Capita Technologies. He is a member of the Kellogg Graduate School of Management Advisory Board at Northwestern University and is a member of the Board of the Metropolitan YMCA of Chicago.
- **Alan Epstein** – Alan Epstein is a shareholder of the entertainment law firm Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C., which is based in Los Angeles. Alan’s law practice consists of advising Internet companies on various issues pertaining to the entertainment industry, including the creation, licensing and acquisition of content, the introduction and negotiation of strategic partner relationships, and various other matters relating to the convergence of technology and content. Alan also advises his firm’s numerous celebrity clients on the exploitation and protection of their name and likeness rights and content on the Internet, as well as merchandising, endorsement and sponsorship deals. Prior to entering the UCLA School of Law, Alan was a certified public accountant at Deloitte Haskins & Sells in Dallas, Texas.
- **Chris C. Wheeler** – Chris Wheeler, a member of Proskauer Rose LLP’s Corporate Department and a partner in the Florida office, has a versatile transactional practice. Chris has had extensive experience in real estate and corporate law, institutional lending and workouts, administrative law and industrial revenue bond financing. Moreover, he serves as a strategist and counselor to many clients in handling their other legal and business matters. Chris is well-versed in general corporate law as well as mergers and acquisitions and securities matters. He has guided companies from startup through initial private placements to public offerings. A graduate of Hamilton College and Cornell Law School, Chris was a member of the managing Board of Editor of the Cornell Law Review.
- **Kenneth Rubenstein** -- Ken is a partner at Proskauer Rose LLP law firm and is the patent attorney for iviewit.com. He is a registered patent attorney before the U.S. Patent & Trademark Office. Ken counsels his clients with respect to the validity and infringement of competitors' patents, as well as prosecutes patent applications. For the past several years Ken has worked on the formation of a patent pool, for MPEG-2 technology, involving large consumer electronics and entertainment companies. Ken is also a former member of the legal staff at Bell Laboratories. Ken received his law

degree, cum laude, from New York Law School. and his Ph.D. in physics from the Massachusetts Institute of Technology where he also graduated with a B.S. Degree.

- **Ray Joao** – Ray heads Meltzer, Lippe’s Intellectual Property Rights, Patents, Copyrights and Trademarks Group. He specializes in intellectual property law, including patents, trademarks and copyrights, as well as technology transfers. He has extensive experience in patent prosecution, licensing and litigation in the fields of computer software and hardware, communication networks, electronics, the Internet, financial modeling and mechanical devices. Ray is adept at dealing with high technology companies and other companies looking to patent not only their physical inventions but new business methods as well.

Legal Counsel

- **Armstrong Hirsch Jackoway Tyerman & Wertheimer** - Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C. is one of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting in developing the business structure of iviewit.com.
- **Proskauer Rose** - Proskauer Rose LLP is one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients through the United States and around the world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.
- **Meltzer Lippe Goldstein & Schlissel, P.C.** – The firm’s focus is providing legal and business-related services to high-technology companies. These services include public offerings, venture financing, mergers and acquisitions, executive compensation strategies, tax structuring, intellectual property audits, patents, patent licensing and corporate and intellectual property litigation services. Meltzer Lippe practices in more than 20 legal disciplines and acts as General Counsel to the Long Island Venture Fund, Newlight Associates, L.P., and LISTnet, where they are also a Founder. The firm served as outside General Counsel to Cheyenne Software, Inc. until it merged with Computer Associates International Ltd.

Consultants

- **Danny Socolof** – Mr. Socolof is the founder and CEO of the Marketing Entertainment Group of America, Inc., an entertainment production and marketing company. Mr. Socolof has created national branding events and campaigns for the

world's largest and most important intellectual property owners including MTV, Pepsi, Nintendo, Proctor and Gamble, SC Johnson, Anheuser-Busch, Apple Computers, Philips Electronics and many other top tier entertainment and global consumer products organizations.

- **Mike McGinley** – Mr. McGinley is the founder of SRO Consultants, a Los Angeles based international consulting firm that provides a wide range of business and management services for the entertainment and music industry. SRO Consultants provides strategic consulting and marketing/cross promotions to industry leaders such as Microsoft, DirecTV, Best Buy, InterVU and Music Choice. Additionally, SRO handles tour accounting for more than 100 major clients including Sting, Neil Young, the Rolling Stones and Tom Petty. Mr. McGinley is a Certified Public Accountant who received his B.A. in business administration from the University of Montana.
- **Eric Chen** - Mr. Chen has spend much of his career in the field of investment banking where he has specialized in advising, financing and guiding the growth strategies of many health care companies. His areas of expertise include biotechnology, medical diagnostics, and new emerging drug technology and delivery systems. He has served as an analyst, Senior Vice President and Managing Director for several Wall Street firms including Furman Selz, Hambrecht & Quist, Fector Detwiler and Southeast Research Partners. Much of his activities have focused upon early stage growth companies in both the public and private sectors. He has analyzed companies in a wide variety of industries, which include vision care, telecommunications, computer storage, software applications and data management. Mr. Chen is the President of Emerald Capital Partners, which he co-founded with Mr. Buchsbaum, since his departure from Southeast Research Partners in early 1999.

Attachment C – Potential Markets for iviewit.com’s Video & Imaging Technologies

Market	Video	Image
3D Graphics		X
Advertising	X	X
Art		X
Automotive *	X	X
Commercial Properties	X	X
Computer Games	X	X
Entertainment *	X	X
Executive Search, Modeling, Casting & Dating Services *	X	X
Health Care *	X	X
High value Auctions	X	X
High-end Luxury (e.g. Boats & Airplanes)	X	X
Hotels & Resorts *	X	X
Image Libraries		X
Medical Imaging *	X	X
Military & Government	X	X
Residential Properties	X	X
Software Applications	X	
Sports *	X	X

* iviewit.com is actively pursuing these markets

37414-0014

Epstein, Alan

From: James F. Armstrong [jarmstrong1@home.com]
Sent: Saturday, February 05, 2000 7:16 AM
To: alps@netline.net; Alan J. Epstein (E-mail); Christopher C. Wheeler (E-mail); Donald G. Kane II (E-mail); Gerald R. Lewin (E-mail); Iantoni (E-mail); Jeffrey Friedstein (E-mail 3); Kenneth Rubenstein (E-mail); Leo Abbe (E-mail); Maurice Buchsbaum (E-mail); Mitchell Welsch (E-mail); Raymond A. Joao (E-mail); Simon L. Bernstein (E-mail)
Subject: RE: iviewit business plan final draft
Importance: High

Eliot in is infinite paranoia has put 2 passwords on this document. The first is "bizplany2k" and the second one is "bizplany3k". Both without the quotes. Enjoy.

-Jim

-----Original Message-----

From: EIB [mailto:alps@netline.net]
Sent: Saturday, February 05, 2000 8:58 AM
To: Alan J. Epstein (E-mail); Christopher C. Wheeler (E-mail); Donald G. Kane II (E-mail); Gerald R. Lewin (E-mail); Iantoni (E-mail); James F. Armstrong (E-mail); Jeffrey Friedstein (E-mail 3); Kenneth Rubenstein (E-mail); Leo Abbe (E-mail); Maurice Buchsbaum (E-mail); Mitchell Welsch (E-mail); Raymond A. Joao (E-mail); Simon L. Bernstein (E-mail)
Subject: iviewit business plan final draft

This is the final draft of the new business plan that will be ready Monday afternoon. We are waiting for an audit on the financial section from our accountants and then we can begin disseminating to prospective investors. Please send any comments or changes ASAP.

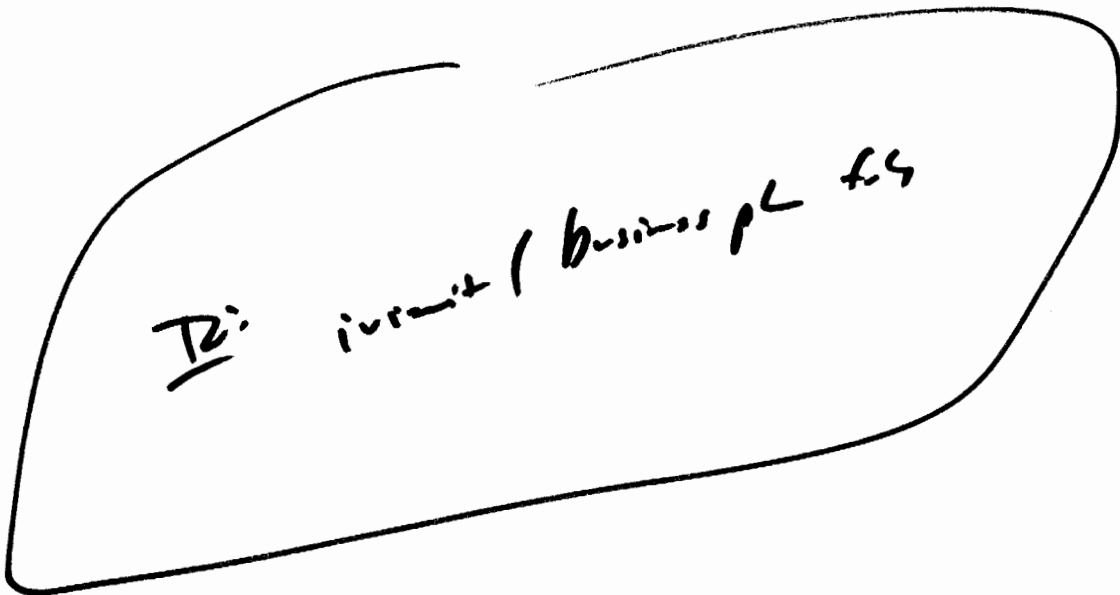
Thanks - Eliot

TO: iviewit /
 business plan for



*A Leader in New Visual Technologies for Tomorrow's
Markets*

Business Plan



Contact Information:

Brian G. Utley, President & COO

iViewIt.com

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2255 Glades Road, Suite 337W

Boca Raton, Florida 33431

561-999-8899

brian@iViewIt.com

Confidentiality Statement

This business plan and the exhibits hereto (collectively, the “Plan”) have been submitted on a confidential basis for use by a limited number of sophisticated investors or acquirers (the “Investor(s)”) solely for, and should be used only in connection with, an Investor’s consideration of an investment in iviewit.com, Inc., (the “Company”). Its use for any other purpose is not authorized. Any reproduction or distribution of the Plan, or re-transmittal of its contents, in whole or in part, without the prior written consent of the Company is prohibited.

This Plan contains certain information of a highly confidential nature, including projections by the Company’s management of the Company’s performance and other material of a forward-looking nature. The receipt of this Plan constitutes an agreement on the part of the recipient hereof to maintain the confidentiality of the information contained herein or any additional information subsequently delivered in connection herewith. Investors who accept this Plan or become aware of the information contained herein must understand and comply with the extensive restrictions imposed by Federal and State securities laws upon their ability to disclose information contained herein to others or to participate in or otherwise effect or facilitate any transaction relating to any securities of the Company. Investors who cannot comply fully with such restrictions should not review the information contained herein and should immediately return this Plan to the Company.

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Executive Summary

iviewit.com has two breakthrough technologies that have paved the way for full-screen, full-motion video and full screen high definition pictures and virtual environments. iviewit.com has been leading the Internet visualization industry in both imaging and streaming video since the first public demonstration of its technologies in 1998. Since that time iviewit.com has refined its Patent Pending processes to transform these concepts into a deliverable and commercial solution. The result has changed the Internet experience.

Company

iviewit.com is engaged in the application of new visual technologies for the use of consumers to make their experience over the Internet dynamic and real. iviewit.com's mission is

- to license its video streaming and imaging technologies,
- to develop new markets and applications, and
- to build a platform for visual technologies.

iviewit.com believes that there is virtually unlimited growth opportunity for its proprietary visual Internet media. Once it has secured the next round of funding, iviewit.com will focus on aggressively licensing and producing its video streaming and imaging technologies to establish a branded leadership position for enhancing images viewed over the Internet.

Enabling Technologies

iviewit.com has developed two complimentary technologies to enhance videos and images delivered over the Internet. The first is a state-of-the-art, proprietary technology, enabling full screen, high quality streaming video to be viewed by any internet video player with increased quality and reduced file size. Broadband and modem users can see the streaming video with no appreciable download time required. The second digital imaging technology creates an opportunity for full screen still images and panoramas that can be magnified with minimal image distortion. iviewit.com has protected its enabling technologies by filing and securing eight Patent Pending applications for its video streaming and imaging technologies.

Benefits of iviewit.com's Enabling Technologies

The benefits of iviewit.com's enabling technologies are as follows:

- it enhances the image quality of any video content streamed over the Internet regardless of which player is used to view the video
- it enhances the ability to view still images on the Internet by allowing for incredible zoom and panning by the user

it allows high quality video streaming into the 56-220Kbps range, thus decreasing storage and transfer costs to content providers. Products and Services Offered

iviewit.com intends to create a profitable, recurring stream of income by licensing the following products and performing the following services:

- Site Licensing for the Distribution of Product Processed by iviewit.com
- Image and Video Processing
- Web Hosting of Image and Video Content, Linked to a Client's Site
- Photographic or Video Recording Services
- Web Site Creation and Hosting

Market Penetration Strategy & Launch

iviewit.com has secured license agreements with Hyatt Hotel & Resorts, Great Expectations Dating Service and Kids Camps. In addition, iviewit.com is currently negotiating with major corporations such as @merican enterprise.com, 3Com, Playboy, Hollywood.com, Broadway.com, University of Florida, and CBS Sportsline.com. The response to the technologies and licensing cost has been very positive. While iviewit.com's enabling technologies are applicable across a wide spectrum of Business to Business (b2b) and Business to Consumer (b2c) Internet sites, iviewit.com will concentrate its early initiatives in the following areas: Advertising, Entertainment, Health Care, Hotel and Resorts, Luxury Items, Executive Search, Sports, Modeling, and Dating Services.

iviewit.com plans to highlight its video streaming enabling technologies with high profile websites and events. Current negotiations include opportunities with CBS Sportsline.com, Broadway.com and an Internet event called i.m. Nomad. The i.m. Nomad event is an Internet mini-series consisting of 15 four-minute episodes starring internationally renowned supermodels Heidi Klum, Estella Warren and Rachel Roberts.

Management Team

iviewit.com has a strong, well-experienced and diversified management team, Board of Directors, Advisory Board and Consultants. The initial key management team includes a President, a CTO and a VP of Sales and Marketing. This team has extensive experience in technology, management and financial services. The Board of Directors and Advisory Board is equally well experienced with backgrounds in running large corporations, developing technologies, dealing with patent and business legal issues, financing start-up companies and preparing companies for an IPO.

Strategic Alliance with Real 3D®, Inc.

iviewit.com has signed a strategic partnership with **Real 3D®, Inc.**, the premier supplier of 3D graphics technology in the world, holder of more than 40 patents in 3D visualization technology and strategically partnered with Lockheed Martin, Silicon Graphics and Intel. **Real 3D®, Inc.** is providing hosting, serving and technology enhancement services to iviewit.com.

Financial Summary

iviewit.com is seeking \$10 million in capital to expand its current operations. The funds will be used to expand the current management team and staff, promote and market the technologies, and support iviewit.com until its expected break-even in 20 months. Once break-even occurs, iviewit.com rapidly begins generating strong cash flow and gross margins topping fifty percent. At the end of FY Two, iviewit.com is projected to be licensing and supplying its video streaming technologies to over 200 customers and its imaging technologies to over 300 customers. Within two years, revenues are expected to achieve a rate of \$19 million per annum and a net margin of 33%.

Potential exit strategies for iviewit.com may include any one, or a combination, of the following activities: IPO, Partner with Another Company, Spin-off Technologies Application and/or Create Multiple Companies for Different Markets.

Company

Company Background

iviewit.com, Inc., located in Boca Raton, Florida, was formed in 1999 under the laws of the state of Delaware. iviewit.com was formed to research, develop, license and sell its proprietary Internet based visualization products and services to the vast growing e-commerce market. iviewit.com has developed state-of-the-art proprietary technologies enabling full screen, TV quality streaming video and digital imaging for the Internet. The streaming video can be seen by both broadband and modem users with no download time required. The digital imaging allows for full screen still images or panoramas that can be magnified with minimal image distortion. iviewit.com has protected its technologies by filing and securing eight Patent Pending applications for its video streaming and imaging technologies. (Please see the section titled "Proprietary Technologies and Patents Pending" under the Product Description for more details).

Seed funding for iviewit.com was received in September '99 from Huizenga Holdings, Inc. Huizenga Holdings is controlled by H. Wayne Huizenga, a successful industrialist best known for starting Waste Management, Blockbuster Video, Auto Nation and owning major sports teams such as the NFL Miami Dolphins and NHL Florida Panthers. This seed funding allowed iviewit.com to start operations in its current location in 1999. Since that time iviewit.com has established a demonstration web site, initiated digital imaging production through a sub contract with Strategic Partner **Real 3D®, Inc.**, continued development of the iviewit.com video process and hired an initial sales staff. iviewit.com has refined its technologies for commercial exploitation and early sales contacts and contracts have confirmed the commercial value of iviewit.com's technologies. iviewit.com is now seeking financing to realize the potential of its products and technologies.

iviewit.com was initially formed as a limited liability company. For various business reasons, the Board authorized the conversion of iviewit.com into a 'C' corporation. This was accomplished on December 29, 1999. iviewit.com, Inc., a Delaware corporation ("iviewit.com"), is a wholly-owned subsidiary of iviewit Technologies, Inc., also a Delaware corporation ("Technologies") and is the operating company for the iviewit entities. Technologies, a majority owned subsidiary of iviewit Holdings, Inc., a Delaware corporation ("Holdings"), owns or controls all of the patents, trademarks, copyrights, trade secrets and all of the other proprietary intellectual property. Technologies, in turn, has entered into a license agreement with iviewit.com whereby iviewit.com has the right to sublicense and exploit Technologies' intellectual property to and with third parties.

Key Management

- **Brian G. Utley, President** - Mr. Utley has been involved in the computer industry since 1955, 37 years of which were with IBM. He has been in senior management and executive positions since 1965 culminating in his responsibility as Vice President and General Manager of IBM Boca Raton with a work force of over 6,000 professionals. During his career he has been responsible for advanced technology product

development on many fronts. In addition he was responsible for a number of IBM's overseas activities including product development, product management and market development. The most notable of which was the introduction of the IBM PC to Europe. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results.

- **Eliot I. Bernstein, Founder and Chief Technology Officer** - Mr. Bernstein, a graduate of University of Wisconsin in psychology with a minor in computer science, spent 15 years in a highly successful insurance career during which he created many innovative and effective computer based, multimedia marketing tools. These products remain in use today to service over \$1 billion of insurance business. In 1998, like many entrepreneurs, Eliot chose to risk everything to pursue his dream of creating high impact visual applications for the Internet and iviewit.com was born. He combined his passion for photography and video with a burning desire to see the Internet evolve from a text-based medium to a visual tool. As Chief Technology Officer Eliot oversees the development of all aspects of iviewit.com's imaging and video technologies. As the inventor behind the Patent Pending's in process at the US Patent Office Eliot continues to play a key role in the development of visualization technologies and is committed to insuring that iviewit.com maintains its leadership position in the industry.
- **James F. Armstrong, VP of Sales and Marketing** – Mr. Armstrong has owned and operated The Armstrong Group, Ltd. since 1982. The Armstrong Group is a financial planning, insurance consulting and sales firm targeting the corporate executive and high net-worth markets. Jim also worked for Prudential Securities as the National Sales Manager for its Primary Client Services and Life Agency Divisions. In the Primary Client Services Division, Jim directed the sales effort for the company's retirement products, financial planning capabilities and central asset account. In the Life Agency Division, Jim was responsible for building the infrastructure for this start-up venture. He developed marketing materials, formulated policies and procedures, and recruited and supervised a national network of planning specialists. Jim's extensive knowledge of computer hardware and software applications have served him well in his previous positions and, together with his broad business experience, uniquely positions him for this leadership role with iviewit.com.

Although the current key management team's vast experience is a tremendous asset, iviewit.com understands that it needs to assemble a more diversified, highly qualified management team. Once funding is secure, iviewit.com intends to fill the following additional key positions within 60 days:

- Chief Financial Officer
- VP Manufacturing
- VP of Licensing

Board of Directors

- **Brian G. Utley, President**
- **Eliot I. Bernstein, Founder & CTO**
- **Simon L. Bernstein, Chairman of the Board** - Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over a billion in life premium sales. Mr. Bernstein's career in the life insurance industry began in 1965 when he became the top producer for Aetna Life and Casualty Company. He has remained in the top 5% of life insurance sales agencies since that time. Mr. Bernstein supplied the initial “angel” investment for iviewit.com
- **Gerald R. Lewin, Director** - Gerald Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. In 1981, Mr. Lewin joined Donald Goldstein to form Goldstein Lewin & Co., which currently is a leading a 50 man southeastern accounting firm. Mr. Lewin specializes in business consulting and is highly knowledgeable in many areas of accounting, tax and financial planning. Mr. Lewin is a member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.
- **Maurice R. Buchsbaum, Director** – Mr. Buchsbaum has engaged in corporate finance projects as a principal, advisor, consultant, officer, director or senior managing director for the past 27 years. As a partner or senior officer of several leading investment banks (including Drexel Burnham, Kidder Peabody and JW Genesis), he has worked in all aspects of corporate finance. He formed Emerald Capital Partners in early 1999, to provide strategic planning and banking advice to a myriad of small and medium sized American growth companies. He has engaged in numerous public and private transactions and activities that include seed capital, early stage financing, major and late stage strategic finance, restructuring and mergers/acquisitions ranging in size from \$1 million to \$700 million. His industry experience includes health care, technology, telecommunications, biotechnology, financial services, environmental, and airlines. He holds BS and MBA degrees with honors from Ohio State University, and was a fellow in the doctoral program at Northwestern University.

Strategic Partners & Investors

- **Real 3D®, Inc.** – iviewit.com is currently engaged in a strategic partnership with **Real 3D®, Inc.**, a well-respected technology company that is owned by Lockheed Martin, Silicon Graphics Inc. and Intel, who is providing hosting, serving and technology enhancement services. **Real 3D®, Inc.** has participated in the technology evaluation phase of iviewit.com's proprietary Imaging and Video Streaming products. **Real 3D®, Inc.** has found iviewit.com's web-based products to

offer an extraordinary high-resolution panoramic view capability that can have many uses in the e-commerce arena.

- **Huizenga Holdings, Inc.** - Huizenga Holdings Inc. through Investech Holdings, LLC is the founding equity partner of iviewit.com. Huizenga Holdings Inc. brings a strategic portfolio of Internet investments and businesses, which has helped fuel the expansion of iviewit.com's video and imaging technologies.

iviewit.com also has an Advisory Board, Legal Counsel and Business Consultants who bring an extensive knowledge base, business connections and experience to the development of iviewit.com. Please see "Attachment B -- iviewit.com's Advisory Board, Legal Counsel and Consultants" for more details.

Industry Analysis

Broadband Industry

The transmission of data intensive content over the Internet has been limited due to both technological and bandwidth constraints. However, the increasing availability of improved delivery systems, such as digital cable modems, T-1 lines, satellite delivery systems and DSL networks are enabling the use of more feature-rich multimedia content.

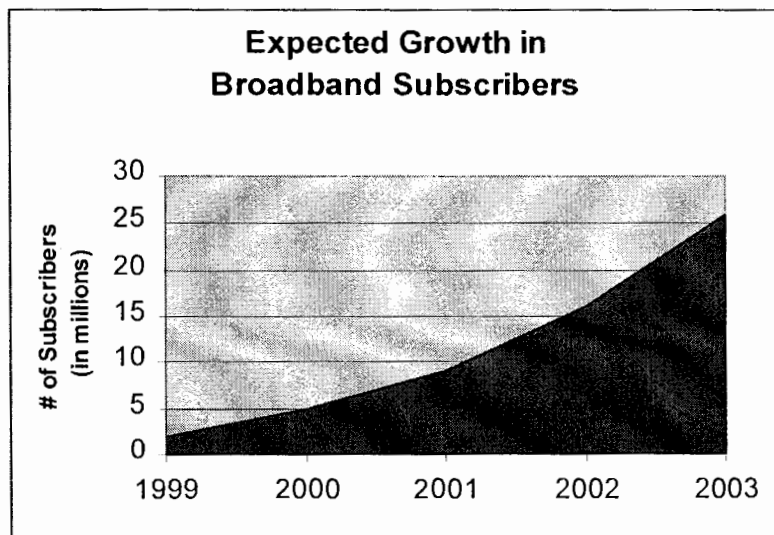


Chart 1.0 – Forrester Research and Broadband Intelligence

fastest standard narrowband modems.

US cable modem subscribers are expected to increase to 3.3 M in 2000 (up from 1.6M in 1999). DSL customers (serviced by phone companies) will nearly triple to 1.4M in 2000 from 500,000 in 1999.¹ And the total number of broadband subscribers by the end of Year 2002 and 2003 is expected to be 16 million and 26 million, respectively.²

The broadband industry is drawing billions of dollars in capital investments to develop the necessary infrastructure for broadband content and delivery. The cable companies are massively marketing this existing user base to include broadband access. Similarly, the telephone companies are upgrading their lines to offer DSL access. In addition, major hardware manufacturing companies, application developers and content providers are racing to be the de facto standard for broadband delivery.

Streaming Media Industry

Multimedia streaming technology is bringing new levels of versatility, quality and simplicity to the creation and distribution of multimedia content over the Web. One measure of the growth in use of streaming media is the number of registered users posted by RealNetworks, a company that develops software used by broadcasters to stream

¹ Broadband Intelligence July 1999

² Forrester Research

multi-media content over the Internet. The first RealPlayer was released in 1995, and to date over 80 million unique users have been registered. The RealPlayer download rate now exceeds 175,000 per day, an increase of more than 270% since the beginning of 1997.

The emergence of rich multimedia capabilities, such as streaming audio and video, will continue to enhance the effectiveness of the Web as a mass communications medium and Intranets as a means to improve corporate communications. Content delivered through traditional media, such as television and radio, will be increasingly delivered over the Internet.

Digital Imaging Industry

Companies are increasingly using digital imaging to effectively promote their products on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat two-dimensional images offering a limited field of view. Technological innovations that enhance realism and interactivity and contribute to a viewer's retention to that web site will facilitate the success of e-commerce by leading to increased sales and advertising rates. Specifically, immersive imaging, or the ability to create the viewing perspective of being inside the image, is becoming increasingly popular with many web sites. However, image creation with many of the existing immersive technologies is labor intensive, produces poor visual quality and requires proprietary hardware and software. As a result, market acceptance of these technologies has been limited. Until iViewit's digital imaging process the users ability to zoom into a picture or virtual reality environment was limited due to pixel distortion.

In order for widespread adoption of immersive imaging by businesses and consumers to occur, new immersive technologies must offer the following benefits:

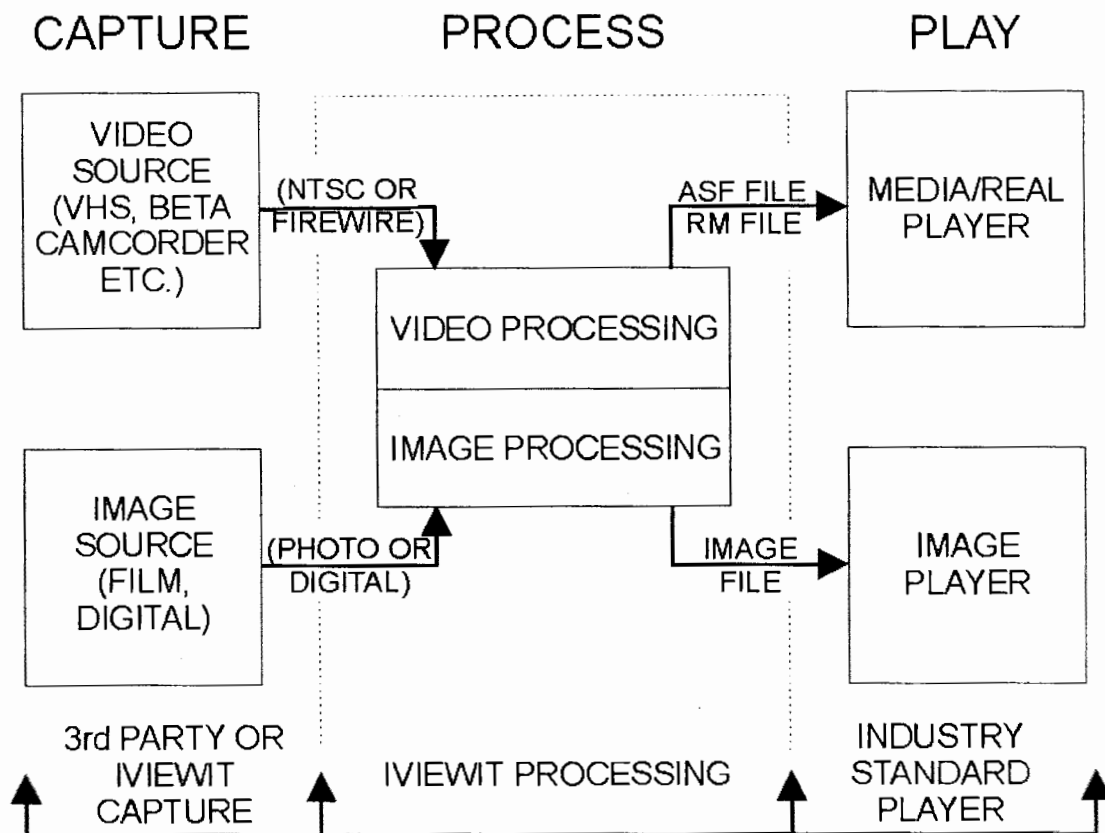
- Ease of creating and viewing an image
- East of distributing and sharing the image
- Portability of the capture device
- Cost effectiveness
- Use of standardized technology
- Platform independence

Products & Services Description

Process

iviewit.com's impressive visual media products are the result of several years of development focused on the entire process of image/video delivery over the Internet. Care has been taken to be platform agnostic to preserve the broadest possible range of application. iviewit.com's suite of video technology processes work across all industry platforms. Therefore, iviewit.com's process will enhance both Microsoft's media player and Real Network's players. The result is industry leadership products without requiring special downloads or equipment. iviewit.com processes are proprietary and protected as Trade Secrets and Patent Pending applications filed with the U.S. patent office. While video and imaging are treated separately, it should be noted that they are complementary both from a process point of view and from a customer perspective. Many potential customers have both requirements such as the resort and hotel industry and the health care industry. iviewit.com views the combination of these products as an integral part of its sales portfolio.

IVIEWIT VISUAL MEDIA PROCESSING



Video Streaming

Streaming video is the most exciting form of content distribution over the Internet and has challenged the industry since the inception several years ago. Current processing techniques do not provide solutions for clear, full motion, full screen streaming video. iviewit.com has developed encoding solutions that do provide for full motion, full screen streaming video at speeds ranging from 56-125 Kbps and upward. These competitive advantages are at the core of iviewit.com's market opportunity.

Motion is a particular challenge because the image refresh process tends to produce highly distorted pictures. iviewit.com has succeeded in producing TV quality video over broadband networks and significantly improved narrowband speed results. These results are obtained while minimizing the bandwidth required for the streaming video event.

Internet ready streaming digital files are produced from virtually any source creating NTSC (US) compatible or IEEE 1394 firewire interfaces. Other modality such as PAL or SECAM can be accommodated. The output digital files are MS Media Player or RealNetworks RealPlayer compatible. Individual files are produced for either modem or broadband use and designed to minimize the amount of bandwidth required to produce the highest possible quality image. iviewit.com's processing times range from 3X to 6X the playtime of the video depending upon the length of the video and the output file. The proprietary process is extendable to include video acquisition. Even though this phase is not a pre-requisite, improvements in final video quality are attainable by using iviewit.com's *total video process*.

Digital Imaging

iviewit.com offers a wide range of "over the web" high quality, full screen imaging technologies. Images processed by iviewit.com can be viewed with zoomable and panoramic images of up to 360 degrees. Images produced by iviewit.com's proprietary process are identical in quality regardless of speed on the end-user's Internet connection speed. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. Output file sizes typically range from 30KB to 400KB for a full 360-degree panorama. Source material may be conventional emulsion type film or digital. Special photographic techniques are employed to ensure the final quality of the process ("garbage in, garbage out"). Unlike conventional web-ready images that become severely distorted after magnification attempts of just 1-2 times, iviewit.com processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. **Real 3D®, Inc** engineering teams have reviewed the imaging process and results, and the comment from their review was "superb" and "elegant".

These are the types of digital images that iviewit.com can create with its technologies:

- **Single shot** - A single photo frame. Used for simple flat scenes or objects with depth imaging.
- **Single shot Pan and Zoom** – A single photo frame with the ability to zoom into the picture for magnifications of up to 20X.

- **Quarter Pan and Zoom** - Typically 3 photo frames stitched together to provide a wide perspective and up to a 90 degree camera sweep angle. Used for small rooms or wide objects.
- **Half Pan and Zoom** - Typically 6 photo frames stitched together to provide up to a 180 degree panoramic camera sweep angle. Useful for panning a room from the center of a wall.
- **Three quarter Pan and Zoom** - Typically 10 photo frames stitched together to provide up to a 270 degree panoramic camera sweep angle. Used for a wide panorama or a large room taken from a corner or offset from the center.
- **Full Pan and Zoom** - Typically 13 - 16 photo frames stitched together to provide up to a 360 degree panoramic camera sweep angle. Used for a full outside panorama or a large room from the center of the room.

Proprietary Technologies and Patents Pending

iviewit.com has an extensive portfolio of proprietary technologies in the fields of image and video data processing as well as proprietary technologies for network delivery systems for delivering its proprietary image and video data and information from a network-based computer platform.

To date, iviewit.com currently holds eight Patent Pending in the fields of image and video processing, image and video file transmission over a communication network, and video data processing and transmission in a communication network. iviewit.com is aggressively seeking to procure patent protection in the United States and abroad for its Patent Pending technologies.

iviewit.com has adopted a two-prong approach to building an extensive patent portfolio. iviewit.com plans to continue aggressively developing and seeking patent protection for its own proprietary technologies. iviewit.com will further seek to improve upon existing technologies as these technologies come to the market. While patent pending status does not, in itself, guarantee that a patent will ultimately issue, or that an issued patent will not face a judicial challenge in the Courts or an administrative challenge in the U.S. Patent & Trademark Office, iviewit.com believes that the pending claims in its patent applications are well supported and will provide iviewit.com with broad patent protection. iviewit.com further believes that its proprietary technologies, and related trade secrets, provide it with a substantial competitive advantage.

Future Development

iviewit.com's goal is to maintain a leadership role in visual technologies and continued research and development will be employed to this end. iviewit.com's product output will stress user friendliness, superior picture quality and effective presentation for the experience by the end user.

Extensions of the current technologies are planned to provide similar improvements in videoconferencing. Early testing has validated the feasibility of these extensions and funding will provide the resource necessary to complete the development work. It is estimated that a product could be ready to market within 6 – 9 months from funding.

Also, a TV interface adapter, which allows a PC monitor output to be connected to a TV set, is currently available. Using a TV this way further enhances the quality of the video since a TV set is optimized for displaying video images. This has paved the way for a new era in Pay-Per View distribution across the Internet.

Products and Services

In order to provide its customers a full range of services to create and offer quality video and images over the Internet, iviewit.com offers the following products and services:

- ***Site Licensing for the Distribution of Product Processed by iviewit.com.*** Each site distributing iviewit.com visual media product must license the technologies. The licensing fee will be collected up front as an annual fee and there may be additional royalties due within each annual licensing period for expanded use of the product.
- ***Image and Video Processing.*** There is an option between basic processing or edited content processing for a higher quality output. Priority and standard time processing is provided. Priority processing guarantees a next day delivery via file transfer protocol to the customer or posted to the iviewit.com website. Standard delivery is within 5 working days.
- ***Web Hosting of Image and Video Content, Linked to a Client's Site.*** This service will be for content owners who do not have the server capacity to store or stream their content and will not be applicable to all clients. This is an extension of the current web site. Seamless linking is a well-established Internet technique and has been validated by iviewit.com testing with prospective customers. Since this is not a core part of its business model, iviewit.com is investigating the option of hosting services through strategic alliances.
- ***Photographic or Video Recording Services.*** iviewit.com has retained the services of a large number of professional photographers and videographers in order to handle customer requirements.
- ***Web Site Creation and Hosting.*** Professional designer support is available through iviewit.com's subcontract with **Real 3D®, Inc** and other web site specialists. This service is not expected to be a major part of iviewit.com's business.

Market Opportunity & Penetration Strategy

Market Opportunity for Video Streaming

Streaming media is now the most widely used application after browsers and online programs like AOL on the Internet... and it is growing exponentially. Microsoft's Media Player, RealNetworks suite of players and Apple's Quick-Time Player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, *on demand*.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies mentioned above. iviewit.com's suite of technologies will positively affect and benefit all of these parties.

- **End Consumers** – For consumers who have a broadband pipe in their homes, streaming video is the “killer application.” The promise of rich visual content defines the reason for paying between \$40 - \$50 per month for the increased bandwidth. It means that consumers can *see* the entertainment, news, product commercials, infomercials and education videos they want at near TV quality. That promise will be maximized by the proliferation of content delivered through and with iviewit.com. The companies responsible for providing the infrastructure for broadband recognize the importance of promoting enabling technologies and driving media rich content to the web. Their paradigm has shifted to include content creation as a significant element of their overall strategy. Greater availability of quality content on the web will increase demand for the pipes necessary to view it. Similarly, the popularity of software applications that “play” the content files will increase dramatically as iviewit.com's technologies will enhance any media player operating on a broadband network and provide video quality full screen streaming media.
- **Business to Business (b2b) E-Commerce Sites** - For b2b e-commerce sites, iviewit.com's technologies will provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product manuals through iviewit.com's proprietary system, business e-commerce sites can leverage their video and image investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality visual experiences. Licensing these b2b sites will be a primary market focus for iviewit.com's technologies.
- **Intellectual Property Owners** - For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues etc., iviewit.com's technologies means that video streaming can finally become a revenue source. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for the small screen, grainy content prevalent on the web today and the pipeline required for serving these files is

expensive. iviewit.com's technologies provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and reducing the digital stream size required to serve them. These solutions are at the core of iviewit.com's competitive market advantage.

- **Digital Distributors** - For digital video distribution companies, iviewit.com's technology efficiency is extremely attractive because it minimizes the required file size, and therefore will decrease the cost of business.

In summary, the market potential for iviewit.com's technologies is enormous. iviewit.com will engage in a high profile launch campaign designed to build awareness for its technologies with all the key market influencers and then concentrate on a licensing program to populate its technologies among b2b and b2c Internet sites.

Market Opportunity for Digital Imaging

Companies are increasingly using digital imaging to promote their products and present information on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat and two-dimensional offering a limited field of view. The alternative, immersive imaging (the ability to create the viewing perspective of being inside the image), is becoming increasingly popular with many web sites, but is still labor intensive, requires proprietary hardware and severely distorts the image after magnification of 1-2 times.

In contrast, iviewit.com's technologies allow for high quality, full screen imaging with zoomable and panoramic images of up to 360 degrees with very high levels of zoomability. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. iviewit.com processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1.

Market Penetration

iviewit.com has already begun to sell its technologies to various corporations and is currently in negotiations with the following potential clients:

- | | |
|--------------------------------|--------------------------------------|
| • CBS Sportsline.com | • Hollywood.com |
| • 3Com | • Playboy |
| • Hyatt Hotels & Resorts | • Internet Entertainment Group, Inc. |
| • Armstrong Blum Manufacturing | • KidsCamp.com |
| • Atlas Entertainment | • Lovemate.com |
| • Boca Resort & Beach Club | • Machineweb.com |
| • Broadway.com | • Thehealthnetwork.com |
| • Centrack | • |
| • @merican enterprise.com | • University of Florida |
| • | • Versifi |

- | | |
|---|---|
| <ul style="list-style-type: none"> • Ezlinksgolf.com • Great Expectations | <ul style="list-style-type: none"> • Webcasts.com • West Palm Beach Lexus |
|---|---|

iviewit.com has identified various markets to target with its imaging and video streaming technologies. (Please see Attachment C titled “Potential Markets for iviewit.com’s Video & Imaging Technologies” for a list of target markets.)

Video streaming and still image enhancement are nascent markets and there are no benchmarks for pricing iviewit.com’s proprietary technology enhancements. Therefore, iviewit.com has based its licensing strategy and product penetration on the following information:

- iviewit.com’s contract negotiations with current clients
- iviewit.com’s understanding of what companies are willing to pay for these technologies, including the business economics of a given industry

iviewit.com has also based its pricing on the fact that there are currently no direct competitors to its technologies. However, as competition prevails and market conditions change, iviewit.com’s pricing will adjust accordingly.

iviewit.com realizes that the needs and budget for each customer and indeed across industries vary tremendously. In response to this, iviewit.com will need to specially craft a licensing contract with each customer. However, the following pricing strategy gives an overall projection of what customers on average will be charged for iviewit.com’s video streaming and imaging products and services.

Initial Market Introduction Strategy

iviewit.com has elected a two prong strategy to initially market its technologies. The first stage is to target high profile intellectual property owners and distributors, as clients, to encode their images and watermark those images with iviewit.com’s logo. Initial clients signed or in negotiation include CBS Sportsline, Hyatt Resorts & Hotels, Broadway.com and Playboy.com. The second stage will focus on acquiring the rights to encode marquee Internet Events, with world-renowned stars that will provide iviewit.com with significant branding opportunities. Properties in negotiation include i.m. Nomad.com, a made for Internet miniseries starring supermodels Heidi Klum, Estella Warren and Rachel Roberts. Additional launch initiatives include opportunities with Billy Joel, CSNY and The Dixie Chicks.

The Company is developing a marketing plan and detailed budget to attack the key business segments as identified in Attachment C. The elements of that plan include: (i) a national print media campaign targeting corporate decision makers for encoding images for commercial websites, (ii) a national b2b Public Relations campaign designed to build awareness and demand for the iviewit.com imaging technologies targeting the streaming media, digital still imaging, and investment communities. (iii) a trade show plan specifying the number of shows the company must attend to promote its imaging technologies and an accompanying plan detailing how the company will effectively

present its technologies at those shows (iv) sales collateral materials to support the sales force (v) a plan for the acquisition and exploitation of exclusive internet video events, like iMNomad, to highlight the companies technologies and turbo charge its public relations efforts and (vi) a plan and execution strategy to upgrade iviewit's web site to promote its technologies and support its customers.

The company has budgeted three million dollars in marketing expenditures to undertake these marketing activities. Iviewit.com has initiated a search for an advertising/new media agency and a public relations agency with demonstrated competence in the b2b technology space to assist the company in developing and implementing the marketing plan.

Pricing Model - Video Streaming

iviewit.com will require an annual license to process a video source into an iviewit.com file to be streamed over the Internet. The licensing fee will depend on the number of distributed servers that the customer uses for its web site. The rationale behind this is that the license fee should be greater if the technologies are being used and exploited by a larger number of users. And generally, web sites that have larger number of users require additional distributed servers. iviewit.com has decided to use distributed servers as a usage benchmark (instead of number of hits to the web site streaming the video) because of the ease in benchmarking the fee to clients.

iviewit.com will also charge a per minute fee for the processing of the video. Depending on the needs of the client, the processing of the video will vary greatly. For example, an advertising agency focused on optimizing 30 and 60 second spots will have vastly different requirements than a worldwide hotel chain with three to five minute infomercials on each property. Additionally, there are different levels of processing costs associated with the image quality required by the client. For a client that does not require frame by frame analysis to its video (i.e. a video segment on a local community college), the amount of labor to process the video is minimal and the cost will be approximately \$5 a minute to process. For clients who require editing for their video, iviewit.com will charge incremental fees priced to account for the time and labor involved.

Although not a core part of its business, iviewit.com will offer video hosting for those clients who need a complete video streaming solution. The monthly storage, database maintenance and serving fee will be based on the number of gigabytes hosted by iviewit.com. iviewit.com sees this pricing model as part of its overall plan to identify and "brand" itself as a total solution service-oriented business for its clients. iviewit.com will outsource this service with several partners accordingly to the scope and scale of the client requirements.

The following outlines the approximate fees for licensing the technologies and video processing.

Video License Charges:		First year	Following years
	Video and image master server	\$25,000	\$22,500
	1st distributed server	\$5,000	\$4,500
	Additional distributed servers	\$2,500	\$2,250
Video Processing		\$/min.	
	Processing of VHS or S-VHS tape to video player format	\$5.00	\$5.35
	Processing of VHS or S-VHS tape to video player format with frame editing	\$40.00	\$42.80
Video Hosting, Monthly Charges		\$/GB/mo.	
	Storage and Data Base Maintenance	\$12.00	\$13.00
	Serving Fee	\$35.00	\$38.00

Pricing Model - Imaging

iviewit.com will require an annual license fee to process still images to a zoomable and/or panoramic iviewit.com digital image. The licensing fee will increase with additional distributed servers used by the customer.

In addition, if the client requires, iviewit.com will arrange for hosting of the images through its strategic alliance with MPI.net.

iviewit.com will offer a turnkey suite of services to its customers that include: capturing, processing and hosting the images. (Please see the section titled "Digital Imaging" under the Products and Services Description for details on the types of images iviewit.com can create.) In addition to the per image processing fee, iviewit.com will also charge a monthly fee for the number of images served..

The following outlines the approximate fees for licensing the imaging technologies, capturing, processing, serving and hosting.

Image License Charges:		First year	Following years
	Image only master server	\$1,800	\$1,620
	Distributed server	\$800	\$720
	Additional distributed server	\$400	\$360
Image Capture, Processing and Hosting:		Each	
	Single shot	\$68	
	Quarter Pan and Zoom	\$225	
	Half Pan and Zoom	\$435	
	Three quarter Pan and Zoom	\$655	
	Full Pan and Zoom	\$855	
Monthly Charge Schedule Based on Site Connections:		Rate \$	
	Schedule 1 - 1 to 4,999 hits	0.10	
	Schedule 2 - 5,000 to 9,999 hits	0.07	
	Schedule 3 - 10,000 to 24,999 hits	0.05	
	Schedule 4 - 25,000 + hits	0.03	
	Monthly minimum of \$150		

Competitive Analysis

Streaming Media

There are no direct competitors to iviewit.com in the streaming media industry. Software providers, digital distributors, content

Industry	Company Examples
Software Providers	MS Media Player, RealNetworks
Digital Distributors	InterVU, iBeam, Akamai
Content Providers	Broadcast.com, AtomFilms.com, Den.net
Encoding Services	Loudeye, Sonic Foundry, VideoDome.com

Table 1.0 – Potential Strategic Partners or Licensees

providers, and encoding services will benefit from the increased use of iviewit.com's technologies and potentially could be strategic partners or licensees.

Although a truly different product than iviewit.com's, encoding services can be considered indirect competitors. The following describes the key companies in the encoding industry:

- **Loudeye** – Loudeye, originally encoding.com, is a provider of digitizing and encoding services and offers streaming media production. Loudeye's Optimized Encoding Process™ and proprietary software offers media compression. The company's partnership with platform developers such as Microsoft, Apple and RealNetworks allows codec support.
- **Sonic Foundry** - Sonic Foundry, Inc. is a provider of PC-based software products that enable users to easily work with and edit digital media. Sonic Foundry's products are used for multimedia and Internet applications, music and audio post-production, broadcast production, and digital content creation. Sonic Foundry's products and services offer media consumers the ability to capture and create media, edit the content, and deliver the information via fixed media or electronic distribution. The company's products are designed to run under both the Windows and Windows NT operating systems.
- **VideoDome.com** – VideoDome.com is a provider of Internet video OnDemand solutions. Using its InstaStream system, the company enables the conversion of standard video footage to video on demand. VideoDome.com offers broadcasting media either via a listing in the VideoDome OnDemand Channel Directory, a company's own existing web site, or a dedicated channel with various features including chat, user subscription options and client customization.

Digital Imaging

There are various companies offering digital imaging services over the Internet. However, as described in the Products and Services section, iviewit.com offers full screen higher quality images that are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. None of iviewit.com's competitors can provide this type of quality imaging.

The following describes the major competitors to iviewit.com in the digital imaging industry:

- **Bamboo.com** – Bamboo.com provides virtual tours of real estate properties for sale or rent. The tours allow users to view the inside and outside of properties, panning right and left or zooming.. Bamboo.com charges real estate agents a one-time fee to videotape a property, convert the videotape into a virtual tour, and distribute the tour through Internet sites or e-mail. The company markets its tours through agreements with Web sites such as REALTOR.com and HomeBuilder.com.
- **Interactive Pictures Corporation (IPIX)** - The company's IPIX technology is used by travel and hospitality (Marriott), publishing (New York Times), real estate (ERA), education (National Geographic), and entertainment (Disney) companies to enhance multimedia content, interactivity, and e-commerce on Web sites. Its Wizard software (sold on a per-use basis) converts two photos taken with a digital camera into one IPIX image.
- **Live Picture / MGI Software** – Live Picture, Inc. (LPI) provides Internet imaging and is the inventor of zoomable images for the Internet. Live Picture develops and sells a complete suite of image servers and Internet and consumer applications based on its Zoom image technology. .
- **Ulead Systems, Inc.** – Ulead Systems was founded in 1989 to develop and market Windows-based imaging and video production tools that allow people to share their ideas and memories. The company provides imaging, video, 3D and Internet software for business and personal communication.

Comparative Review of Major Imaging Features

Company	Full Screen	Singe Image Zoom	Image Distortion	Pixelation Upon Zoom	Panning Ability
Bamboo	No	Yes	Yes	Yes	Up, Dn, Lt, Rt
IPIX	No	Yes	Yes	Yes	Lt, Rt
MGI Software	No	Yes	Yes	Yes	Up, Dn, Lt, Rt
Ulead	No	No	Yes	Yes	Up, Dn, Lt, Rt
iviewit.com	Yes	Yes	No	No	Up, Dn, Lt, Rt

Table 2.0 – Imaging Competitor Analysis

Timeline

Date	Milestone
Second Quarter 2000	Close the Next Tranche of Financing
	Secure Content for Launch of iviewit.com
	Begin Viral Marketing Campaign of iviewit.com
February – April, 2000	Hire Additional Key Executives and Staff
April 15, 2000	Official Marketing Campaign Begins
	Sales & Marketing Team Approaching Potential Clients
May 15, 2000	Official Launch of iviewit.com
Late 2000	Close the Follow-on Tranche of Financing, if necessary
Mid - Late 2001	Exit Strategies May Include: IPO, Partnering with Another Company, Spin-off of Technologies Application and/or Create Multiple Companies for Different Markets

Financial Summary

iviewit.com is seeking \$10 million in capital to grow its current operations. The funds will be used to expand the current management team and staff, promote and market the technologies, and support iviewit.com until its expected break-even in 20 months. The second year revenues are projected at \$19 million dollars with a going rate of \$42 million dollars by year end.

Revenue by the end of FY One and FY Two is expected to be \$1.9 million and 18.9 million, respectively. The revenue projections include licensing, processing, hosting and serving fees for iviewit.com's video streaming and imaging technologies.

SG&A Expense

SG&A Expense by the end of FY One and FY Two is expected to be \$3.1 million and \$5.4 million, respectively. Salaries and marketing and promoting iviewit.com's technologies comprise over 60% of the SG&A expenses. The remaining expenses are for basic overhead.

Exit Strategy

By 2002, iviewit.com is expected to have an Earnings Before Interest and Taxes of over \$10 million. At this point, or possibly earlier, there are several exit strategies that could be employed to give investors liquidity, if so desired. The following are possible examples:

- Initial Public Offering
- Acquisition
- Spin-off Technologies Applications
- Create Multiple Companies for Different Markets

Attachment A – Financial Statements



iviewit financials
1.65.xls

Attachment B – iviewit.com’s Advisory Board, Legal Counsel and Consultants

Advisory Board

- **Donald G. Kane** – Mr. Kane is President of GDI, a privately held holding company that controls 4 business-to-business Internet companies. Prior to joining GDI, Don was a Managing Director in the Investment Banking Division of Goldman Sachs & Co. During his fourteen-year career at Goldman Sachs, Don created the firm's Midwest Financial Institutions practice and founded a Global Financial Institutions Technology Group. Don is a Board member and Vice Chairman of Sagence Systems, Inc., a GDI company and is a member of the Board of Versifi, Inc. and Ergo Systems. Don is an advisor to Signcast, Inc., Gryphon Holdings and Capita Technologies. He is a member of the Kellogg Graduate School of Management Advisory Board at Northwestern University and is a member of the Board of the Metropolitan YMCA of Chicago.
- **Alan J. Epstein** –Mr. Epstein is a shareholder of the entertainment law firm Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C., which is based in Los Angeles. Alan's law practice consists of advising Internet companies on various issues pertaining to the entertainment industry, including the creation, licensing and acquisition of content, the introduction and negotiation of strategic partner relationships, and various other matters relating to the convergence of technology and content. Alan also advises his firm's numerous celebrity clients on the exploitation and protection of their name and likeness rights and content on the Internet, as well as merchandising, endorsement and sponsorship deals. Prior to entering the UCLA School of Law, Alan was a certified public accountant at Deloitte Haskins & Sells in Dallas, Texas.
- **Christopher C. Wheeler** – Mr. Wheeler is a member of Proskauer Rose LLP's Corporate Department and a partner in the Florida office, has a versatile transactional practice. Chris has had extensive experience in real estate and corporate law, institutional lending and workouts, administrative law and industrial revenue bond financing. Moreover, he serves as a strategist and counselor to many clients in handling their other legal and business matters. Chris is well-versed in general corporate law as well as mergers and acquisitions and securities matters. He has guided companies from startup through initial private placements to public offerings. A graduate of Hamilton College and Cornell Law School, Chris was a member of the managing Board of Editor of the Cornell Law Review.
- **Kenneth Rubenstein** –Mr. Rubenstein is a partner at Proskauer Rose LLP law firm and is the patent attorney for iviewit.com. He is a registered patent attorney before the U.S. Patent & Trademark Office. Ken counsels his clients with respect to the validity and infringement of competitors' patents, as well as prosecutes patent applications. For the past several years Ken has worked on the formation of a patent pool, for MPEG-2 technology, involving large consumer electronics and entertainment companies. Ken is also a former member of the legal staff at Bell Laboratories. Ken received his law degree, cum laude, from New York Law School.

and his Ph.D. in physics from the Massachusetts Institute of Technology where he also graduated with a B.S. Degree.

- **Raymond A. Joao** – Mr. Joao heads Meltzer, Lippe’s Intellectual Property Rights, Patents, Copyrights and Trademarks Group. He specializes in intellectual property law, including patents, trademarks and copyrights, as well as technology transfers. He has extensive experience in patent prosecution, licensing and litigation in the fields of computer software and hardware, communication networks, electronics, the Internet, financial modeling and mechanical devices. Ray is adept at dealing with high technology companies and other companies looking to patent not only their physical inventions but new business methods as well.

Legal Counsel

- **Proskauer Rose LLP** -is one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients through the United States and around the world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.
- **Armstrong Hirsch Jackoway Tyerman & Wertheimer** – is one of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting in developing the business structure of iviewit.com.
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- **Meltzer Lippe Goldstein & Schlissel, P.C.** – The firm’s focus is providing legal and business-related services to high-technology companies. These services include public offerings, venture financing, mergers and acquisitions, executive compensation strategies, tax structuring, intellectual property audits, patents, patent licensing and corporate and intellectual property litigation services. Meltzer Lippe practices in more than 20 legal disciplines and acts as General Counsel to the Long Island Venture Fund, Newlight Associates, L.P., and LISTnet, where they are also a Founder. The firm served as outside General Counsel to Cheyenne Software, Inc. until it merged with Computer Associates International Ltd.

Consultants

- **Daniel Socolof** – Mr. Socolof is the founder and CEO of the Marketing Entertainment Group of America, Inc., an entertainment production and marketing

company. Mr. Socolof has created national branding events and campaigns for the world's largest and most important intellectual property owners including MTV, Pepsi, Nintendo, Proctor and Gamble, SC Johnson, Anheuser-Busch, Apple Computers, Philips Electronics and many other top tier entertainment and global consumer products organizations.

- **Mike McGinley** – Mr. McGinley is the founder of SRO Consultants, a Los Angeles based international consulting firm that provides a wide range of business and management services for the entertainment and music industry. SRO Consultants provides strategic consulting and marketing/cross promotions to industry leaders such as Microsoft, DirecTV, Best Buy, InterVU and Music Choice. Additionally, SRO handles tour accounting for more than 100 major clients including Sting, Neil Young, the Rolling Stones and Tom Petty. Mr. McGinley is a Certified Public Accountant who received his B.A. in business administration from the University of Montana.
- **Eric M. Chen** - Mr. Chen is an honors graduate from Harvard University. He has spent much of his career in the field of investment banking where he has specialized in advising, financing and guiding the growth strategies of many health care companies. His areas of expertise include biotechnology, medical diagnostics, and new emerging drug technology and delivery systems. He has served as an analyst, Senior Vice President and Managing Director for several Wall Street firms including Furman Selz, Hambrecht & Quist, Fechtor Detwiler and Southeast Research Partners. Much of his activities have focused upon early stage growth companies in both the public and private sectors. He has analyzed companies in a wide variety of industries, which include vision care, telecommunications, computer storage, software applications and data management. Mr. Chen is the President of Emerald Capital Partners, which he co-founded with Mr. Buchsbaum, since his departure from Southeast Research Partners in early 1999.

Attachment C – Potential Markets for iviewit.com’s Video & Imaging Technologies

Market	Video	Image
3D Graphics		X
Advertising	X	X
Art		X
Automotive *	X	X
Commercial Properties	X	X
Computer Games	X	X
Entertainment *	X	X
Executive Search, Modeling, Casting & Dating Services *	X	X
Health Care *	X	X
High value Auctions	X	X
High-end Luxury (e.g. Boats & Airplanes)	X	X
Hotels & Resorts *	X	X
Image Libraries		X
Medical Imaging *	X	X
Military & Government	X	X
Residential Properties	X	X
Software Applications	X	
Sports *	X	X

* iviewit.com is actively pursuing these markets

STATEMENTS OF PROJECTED REVENUE AND EXPENSES - CASH BASIS BY MONTH
YEAR ONE

	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	Total
REVENUE													
Video Streaming	\$ -	\$ 90,865	\$ 90,865	\$ 90,865	\$ 80,604	\$ 80,604	\$ 80,604	\$ 173,972	\$ 173,972	\$ 173,972	\$ 297,784	\$ 297,784	\$ 1,631,892
Imaging	\$ -	\$ 16,057	\$ 16,057	\$ 16,057	\$ 15,976	\$ 15,976	\$ 15,976	\$ 27,421	\$ 27,421	\$ 27,421	\$ 45,312	\$ 45,312	\$ 268,986
	\$ -	\$ 106,922	\$ 106,922	\$ 106,922	\$ 96,580	\$ 96,580	\$ 96,580	\$ 201,393	\$ 201,393	\$ 201,393	\$ 343,096	\$ 343,096	\$ 1,900,878
COST OF GOODS SOLD	\$ 85,872	\$ 103,353	\$ 115,099	\$ 133,587	\$ 129,770	\$ 165,253	\$ 163,306	\$ 170,529	\$ 188,121	\$ 186,056	\$ 190,999	\$ 205,311	\$ 1,837,255
	\$ (85,872)	\$ 3,569	\$ (8,177)	\$ (26,665)	\$ (33,189)	\$ (68,672)	\$ (66,726)	\$ 30,864	\$ 13,272	\$ 15,337	\$ 152,097	\$ 137,785	\$ 63,623
OPERATING EXPENSES													
Rent - Office	\$ 8,700	\$ 8,700	\$ 8,700	\$ 8,700	\$ 8,700	\$ 8,700	\$ 8,700	\$ 8,700	\$ 8,700	\$ 8,700	\$ 8,700	\$ 8,700	\$ 104,400
Rent - Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities	\$ 660	\$ 660	\$ 660	\$ 660	\$ 660	\$ 1,320	\$ 1,320	\$ 1,320	\$ 1,320	\$ 1,320	\$ 1,320	\$ 1,320	\$ 12,540
Telephone	\$ 1,080	\$ 1,320	\$ 1,320	\$ 1,320	\$ 1,320	\$ 2,160	\$ 2,160	\$ 2,160	\$ 2,160	\$ 2,160	\$ 2,160	\$ 2,160	\$ 21,480
Travel	\$ 8,500	\$ 11,050	\$ 14,450	\$ 16,150	\$ 16,150	\$ 17,850	\$ 17,000	\$ 17,850	\$ 19,550	\$ 21,250	\$ 21,250	\$ 21,250	\$ 201,450
Business entertainment	\$ 2,500	\$ 3,000	\$ 3,500	\$ 3,500	\$ 3,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 49,500
Promotion & Trade Shows	\$ 100,000	\$ 65,000	\$ 75,000	\$ 100,000	\$ 110,000	\$ 135,000	\$ 185,000	\$ 185,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 1,835,000
Misc Expense	\$ 1,000	\$ 1,750	\$ 1,925	\$ 2,118	\$ 2,329	\$ 2,562	\$ 2,818	\$ 3,100	\$ 3,410	\$ 3,751	\$ 4,126	\$ 4,539	\$ 33,430
Insurance, D & O	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 18,000
Insurance, Gen Liab	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 2,400
Legal & Accounting	\$ 45,000	\$ 54,000	\$ 54,000	\$ 54,000	\$ 49,500	\$ 31,500	\$ 31,500	\$ 31,500	\$ 31,500	\$ 31,500	\$ 31,500	\$ 31,500	\$ 477,000
Consulting	\$ 27,750	\$ 27,750	\$ 30,000	\$ 30,000	\$ 30,000	\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000	\$ 376,500
Payroll	\$ 61,679	\$ 88,347	\$ 118,015	\$ 140,817	\$ 143,151	\$ 147,485	\$ 157,820	\$ 160,155	\$ 172,157	\$ 172,157	\$ 172,157	\$ 172,157	\$ 1,706,096
	\$ 258,569	\$ 263,277	\$ 309,270	\$ 358,964	\$ 367,010	\$ 384,927	\$ 445,519	\$ 448,985	\$ 498,497	\$ 500,538	\$ 500,913	\$ 501,326	\$ 4,837,796
	\$ (344,441)	\$ (259,709)	\$ (317,447)	\$ (385,630)	\$ (400,200)	\$ (453,600)	\$ (512,245)	\$ (418,121)	\$ (485,225)	\$ (485,201)	\$ (348,817)	\$ (363,541)	\$ (4,774,173)
NET OPERATING PROFIT (LOSS)	\$ (12,487)	\$ (12,487)	\$ (12,487)	\$ (12,487)	\$ (12,487)	\$ (12,487)	\$ (12,487)	\$ (12,487)	\$ (12,487)	\$ (12,487)	\$ (12,487)	\$ (12,487)	\$ (149,842)
DEPRECIATION EXPENSE	\$ (356,927)	\$ (272,195)	\$ (329,933)	\$ (398,116)	\$ (412,686)	\$ (466,086)	\$ (524,731)	\$ (430,608)	\$ (497,712)	\$ (497,687)	\$ (361,303)	\$ (376,028)	\$ (4,924,015)
INCOME BEFORE INCOME TAX	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INCOME TAX EXPENSE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME	\$ (356,927)	\$ (272,195)	\$ (329,933)	\$ (398,116)	\$ (412,686)	\$ (466,086)	\$ (524,731)	\$ (430,608)	\$ (497,712)	\$ (497,687)	\$ (361,303)	\$ (376,028)	\$ (4,924,015)

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STATEMENTS OF PROJECTED REVENUE AND EXPENSES - CASH BASIS BY MONTH
YEAR TWO

	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	Total
REVENUE													
Video Streaming	\$ 297,784	\$ 637,694	\$ 637,694	\$ 637,694	\$ 1,052,646	\$ 1,052,646	\$ 1,052,646	\$ 1,803,980	\$ 1,803,980	\$ 1,803,980	\$ 3,126,778	\$ 3,126,778	\$ 17,034,300
Imaging	\$ 45,312	\$ 71,845	\$ 71,845	\$ 71,845	\$ 119,790	\$ 119,790	\$ 119,790	\$ 198,587	\$ 198,587	\$ 198,587	\$ 334,163	\$ 334,163	\$ 1,884,304
	\$ 343,096	\$ 709,540	\$ 709,540	\$ 709,540	\$ 1,172,436	\$ 1,172,436	\$ 1,172,436	\$ 2,002,567	\$ 2,002,567	\$ 2,002,567	\$ 3,460,941	\$ 3,460,941	\$ 18,918,604
COST OF GOODS SOLD													
	\$ 219,656	\$ 219,656	\$ 219,656	\$ 246,172	\$ 246,172	\$ 246,172	\$ 273,667	\$ 273,667	\$ 273,667	\$ 300,120	\$ 300,120	\$ 300,120	\$ 3,118,845
GROSS PROFIT	\$ 123,440	\$ 489,883	\$ 489,883	\$ 463,368	\$ 926,264	\$ 926,264	\$ 898,769	\$ 1,728,900	\$ 1,728,900	\$ 1,702,447	\$ 3,160,821	\$ 3,160,821	\$ 15,799,759
OPERATING EXPENSES													
Rent - Office	\$ 9,570	\$ 9,570	\$ 9,570	\$ 9,570	\$ 9,570	\$ 9,570	\$ 9,570	\$ 9,570	\$ 9,570	\$ 9,570	\$ 9,570	\$ 9,570	\$ 114,840
Rent - Plant	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	\$ 1,848	\$ 1,848	\$ 1,848	\$ 2,033	\$ 2,033	\$ 2,033	\$ 2,236	\$ 2,236	\$ 2,236	\$ 2,460	\$ 2,460	\$ 2,460	\$ 25,730
Telephone	\$ 2,376	\$ 2,376	\$ 2,376	\$ 2,614	\$ 2,614	\$ 2,614	\$ 2,875	\$ 2,875	\$ 2,875	\$ 3,162	\$ 3,162	\$ 3,162	\$ 33,081
Travel	\$ 23,375	\$ 23,375	\$ 23,375	\$ 25,713	\$ 25,713	\$ 25,713	\$ 28,284	\$ 28,284	\$ 28,284	\$ 31,112	\$ 31,112	\$ 31,112	\$ 325,450
Business entertainment	\$ 5,500	\$ 5,500	\$ 5,500	\$ 6,050	\$ 6,050	\$ 6,050	\$ 6,655	\$ 6,655	\$ 6,655	\$ 7,321	\$ 7,321	\$ 7,321	\$ 76,577
Promotion & Trade Shows	\$ 176,000	\$ 176,000	\$ 176,000	\$ 176,000	\$ 176,000	\$ 176,000	\$ 176,000	\$ 176,000	\$ 176,000	\$ 176,000	\$ 176,000	\$ 176,000	\$ 2,112,000
Misc. Expense	\$ 4,553	\$ 4,553	\$ 4,553	\$ 5,008	\$ 5,008	\$ 5,008	\$ 5,509	\$ 5,509	\$ 5,509	\$ 6,060	\$ 6,060	\$ 6,060	\$ 63,389
Insurance, D & O	\$ 1,650	\$ 1,650	\$ 1,650	\$ 1,815	\$ 1,815	\$ 1,815	\$ 1,997	\$ 1,997	\$ 1,997	\$ 2,196	\$ 2,196	\$ 2,196	\$ 22,973
Insurance, Gen Lib	\$ 220	\$ 220	\$ 220	\$ 242	\$ 242	\$ 242	\$ 266	\$ 266	\$ 266	\$ 293	\$ 293	\$ 293	\$ 3,063
Legal & Accounting	\$ 34,650	\$ 34,650	\$ 34,650	\$ 38,115	\$ 38,115	\$ 38,115	\$ 41,927	\$ 41,927	\$ 41,927	\$ 46,119	\$ 46,119	\$ 46,119	\$ 482,432
Consulting	\$ 36,300	\$ 36,300	\$ 36,300	\$ 39,930	\$ 39,930	\$ 39,930	\$ 43,923	\$ 43,923	\$ 43,923	\$ 48,315	\$ 48,315	\$ 48,315	\$ 505,405
Payroll	\$ 224,279	\$ 226,880	\$ 233,131	\$ 245,300	\$ 245,300	\$ 260,403	\$ 260,403	\$ 266,654	\$ 272,571	\$ 272,571	\$ 270,488	\$ 270,488	\$ 3,048,467
	\$ 520,321	\$ 522,922	\$ 529,173	\$ 552,389	\$ 552,389	\$ 567,492	\$ 579,644	\$ 585,895	\$ 591,812	\$ 605,179	\$ 603,096	\$ 603,096	\$ 6,813,406
NET OPERATING PROFIT	\$ (396,881)	\$ (33,038)	\$ (39,289)	\$ (89,021)	\$ 373,875	\$ 358,772	\$ 319,126	\$ 1,143,006	\$ 1,137,088	\$ 1,097,268	\$ 2,557,725	\$ 2,557,725	\$ 8,986,354
DEPRECIATION EXPENSE	\$ (33,378)	\$ (33,378)	\$ (33,378)	\$ (33,378)	\$ (33,378)	\$ (33,378)	\$ (33,378)	\$ (33,378)	\$ (33,378)	\$ (33,378)	\$ (33,378)	\$ (33,378)	\$ (400,535)
INCOME BEFORE INCOME TAX	\$ (430,259)	\$ (66,416)	\$ (72,667)	\$ (122,399)	\$ 340,497	\$ 325,394	\$ 285,748	\$ 1,109,628	\$ 1,103,710	\$ 1,063,890	\$ 2,524,347	\$ 2,524,347	\$ 8,585,819
INCOME TAX EXPENSE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 454,983	\$ 1,009,739	\$ 1,464,722
Net Income	\$ (430,259)	\$ (66,416)	\$ (72,667)	\$ (122,399)	\$ 340,497	\$ 325,394	\$ 285,748	\$ 1,109,628	\$ 1,103,710	\$ 1,063,890	\$ 2,069,364	\$ 1,514,608	\$ 7,121,097

Live-On
Revenue Model
Year One and Year Two

Year One	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	Total
Video Streaming													
Video/Image Master Server	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 65,000	\$ 65,000	\$ 475,000
Video/Image Master - 1st Addl Server	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 21,667	\$ 21,667	\$ 112,333
Video/Image Master - Addl Server	\$ 3,250	\$ 3,250	\$ 3,250	\$ 3,750	\$ 1,667	\$ 1,667	\$ 1,667	\$ 4,167	\$ 4,167	\$ 4,167	\$ 3,250	\$ 3,250	\$ 35,250
Video Processing	\$ 17,765	\$ 17,765	\$ 17,765	\$ 17,765	\$ 32,270	\$ 32,270	\$ 32,270	\$ 64,523	\$ 64,523	\$ 64,523	\$ 125,672	\$ 125,672	\$ 595,019
Video Processing with Frame Touch Ups	\$ 5,922	\$ 5,922	\$ 5,922	\$ 5,922	\$ 10,757	\$ 10,757	\$ 10,757	\$ 21,508	\$ 21,508	\$ 21,508	\$ 41,891	\$ 41,891	\$ 198,340
Video Hosting	\$ 1,110	\$ 1,110	\$ 1,110	\$ 1,110	\$ 2,017	\$ 2,017	\$ 2,017	\$ 4,033	\$ 4,033	\$ 4,033	\$ 7,855	\$ 7,855	\$ 37,189
Serving Fee	\$ 8,319	\$ 8,319	\$ 8,319	\$ 8,319	\$ 9,894	\$ 9,894	\$ 9,894	\$ 19,741	\$ 19,741	\$ 19,741	\$ 32,450	\$ 32,450	\$ 178,761
Total Video Streaming	\$ 90,865	\$ 90,865	\$ 90,865	\$ 90,865	\$ 80,604	\$ 80,604	\$ 80,604	\$ 173,972	\$ 173,972	\$ 173,972	\$ 297,784	\$ 297,784	\$ 1,631,892

Imaging													
Image Only Master Server	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100	\$ 3,900	\$ 3,900	\$ 3,900	\$ 6,600	\$ 6,600	\$ 6,600	\$ 10,800	\$ 10,800	\$ 68,400
1st Addl Distributed Server	\$ 453	\$ 453	\$ 453	\$ 453	\$ 347	\$ 347	\$ 347	\$ 587	\$ 587	\$ 587	\$ 960	\$ 960	\$ 6,080
Additional Distributed Server	\$ 113	\$ 113	\$ 113	\$ 113	\$ 87	\$ 87	\$ 87	\$ 264	\$ 264	\$ 264	\$ 240	\$ 240	\$ 1,872
Image Capture, Processing & Hosting	\$ 6,692	\$ 6,692	\$ 6,692	\$ 6,692	\$ 5,118	\$ 5,118	\$ 5,118	\$ 8,661	\$ 8,661	\$ 8,661	\$ 14,172	\$ 14,172	\$ 89,756
Monthly Charge Based on Hits on Site	\$ 3,698	\$ 3,698	\$ 3,698	\$ 3,698	\$ 6,525	\$ 6,525	\$ 6,525	\$ 11,310	\$ 11,310	\$ 11,310	\$ 19,140	\$ 19,140	\$ 102,878
Total Imaging	\$ 16,057	\$ 16,057	\$ 16,057	\$ 16,057	\$ 15,976	\$ 15,976	\$ 15,976	\$ 27,421	\$ 27,421	\$ 27,421	\$ 45,312	\$ 45,312	\$ 268,986

Year Two	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	Total
Video Streaming													
Video/Image Master Server	\$ 65,000	\$ 165,000	\$ 165,000	\$ 165,000	\$ 240,000	\$ 240,000	\$ 240,000	\$ 382,500	\$ 382,500	\$ 382,500	\$ 622,500	\$ 622,500	\$ 3,607,500
Video/Image Master - 1st Addl Server	\$ 21,667	\$ 33,000	\$ 33,000	\$ 33,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ 76,500	\$ 76,500	\$ 76,500	\$ 124,500	\$ 124,500	\$ 721,500
Video/Image Master - Addl Server	\$ 3,250	\$ 29,700	\$ 29,700	\$ 29,700	\$ 43,200	\$ 43,200	\$ 43,200	\$ 68,850	\$ 68,850	\$ 68,850	\$ 112,050	\$ 112,050	\$ 649,350
Video Processing	\$ 125,672	\$ 249,805	\$ 249,805	\$ 249,805	\$ 443,646	\$ 443,646	\$ 443,646	\$ 795,465	\$ 795,465	\$ 795,465	\$ 1,430,085	\$ 1,430,085	\$ 7,326,918
Video Processing with Frame Touch Ups	\$ 41,891	\$ 83,268	\$ 83,268	\$ 83,268	\$ 147,882	\$ 147,882	\$ 147,882	\$ 265,155	\$ 265,155	\$ 265,155	\$ 476,695	\$ 476,695	\$ 2,442,306
Video Hosting	\$ 7,855	\$ 15,807	\$ 15,807	\$ 15,807	\$ 28,073	\$ 28,073	\$ 28,073	\$ 50,336	\$ 50,336	\$ 50,336	\$ 90,494	\$ 90,494	\$ 463,639
Serving Fee	\$ 32,450	\$ 61,114	\$ 61,114	\$ 61,114	\$ 101,845	\$ 101,845	\$ 101,845	\$ 165,173	\$ 165,173	\$ 165,173	\$ 270,454	\$ 270,454	\$ 1,525,303
Total Video Streaming	\$ 297,784	\$ 637,694	\$ 637,694	\$ 637,694	\$ 1,052,646	\$ 1,052,646	\$ 1,052,646	\$ 1,803,980	\$ 1,803,980	\$ 1,803,980	\$ 3,126,778	\$ 3,126,778	\$ 17,034,300

Imaging													
Image Only Master Server	\$ 10,800	\$ 15,120	\$ 15,120	\$ 15,120	\$ 25,380	\$ 25,380	\$ 25,380	\$ 42,120	\$ 42,120	\$ 42,120	\$ 71,280	\$ 71,280	\$ 390,420
1st Addl Distributed Server	\$ 960	\$ 2,688	\$ 2,688	\$ 2,688	\$ 4,512	\$ 4,512	\$ 4,512	\$ 7,488	\$ 7,488	\$ 7,488	\$ 12,672	\$ 12,672	\$ 69,408
Additional Distributed Server	\$ 240	\$ 672	\$ 672	\$ 672	\$ 1,128	\$ 1,128	\$ 1,128	\$ 1,872	\$ 1,872	\$ 1,872	\$ 3,168	\$ 3,168	\$ 17,352
Image Capture, Processing & Hosting	\$ 14,172	\$ 22,045	\$ 22,045	\$ 22,045	\$ 37,005	\$ 37,005	\$ 37,005	\$ 61,412	\$ 61,412	\$ 61,412	\$ 103,928	\$ 103,928	\$ 569,242
Monthly Charge Based on Hits on Site	\$ 19,140	\$ 31,320	\$ 31,320	\$ 31,320	\$ 51,765	\$ 51,765	\$ 51,765	\$ 85,695	\$ 85,695	\$ 85,695	\$ 143,115	\$ 143,115	\$ 792,570
Total Imaging	\$ 45,312	\$ 71,845	\$ 71,845	\$ 71,845	\$ 119,790	\$ 119,790	\$ 119,790	\$ 198,587	\$ 198,587	\$ 198,587	\$ 334,163	\$ 334,163	\$ 1,884,304

Master Video Server Penetration, Minutes, GB Hosting and Serving Quarterly

Industry	1st Qtr, 2000	2nd Qtr, 2000	3rd Qtr, 2000	4th Qtr, 2000	1st Qtr, 2001	2nd Qtr, 2001	3rd Qtr, 2001	4th Qtr, 2001
Hotel & Resort Properties	3.5%	2	3	4	5	7	9	12
Entertainment	4.5%	1	1	2	3	5	8	18
Advertising	3.5%	2	3	3	7	10	14	26
Automotive	2.5%	1	1	2	3	4	5	9
Health Care	60%	1	2	4	7	12	20	32
Digital Video Encoding	80%	1	2	4	8	15	27	49
Executive Search, Modeling, Dating	40%	1	1	2	3	5	7	14
Increase in Master Video Servers:		9	4	10	13	22	32	51
Cumulative Master Video Servers:		9	13	23	36	58	90	141

Video minutes Processed per quarter	11,103	20,169	40,327	78,545	145,914	259,139	464,641	835,330
Cumulative Number of GB for Video Hosting per qtr	278	504	1,008	1,964	3,648	6,478	11,616	20,883
Cumulative Number of GB Being Served per qtr	713	848	1,692	2,781	4,825	8,040	13,040	21,352

Video Processing, Hosting & Serving Per Client

	ave minutes per video	# of videos to encode/qtr/ client	total minutes per quarter, per client	minutes of Video to a GB	GB Hosted per quarter per client	# of Playbacks per video/qtr	GB Served per Quarter per client
Hotel & Resort Properties	5	1	5	0.025	0.125	270	1.69
Entertainment	45	15	675	0.025	16.875	650	548.44
Advertising	0.5	2	1	0.025	0.025	450	0.56
Automotive	3	2	6	0.025	0.15	270	2.03
Health Care	20	3	60	0.025	1.5	270	20.25
Digital Video Encoding	5	1800	9000	0.025	225	10	112.50
Executive Search, Modeling, Dating	3	450	1350	0.025	33.75	15	25.31

Pricing

Video and Image Master Server	\$25,000	\$22,500
1st Distributed Server	\$5,000	\$4,500
Additional Distributed Servers	\$2,500	\$2,250
Percentage of Clients with 1st Distributed Server	100%	100%
Average Number of Additional Distributed Servers	0.50	1.8
Video Processing per Minute	\$5.00	\$5.35
Video Processing per Minute with Frame Touch-ups	\$40.00	\$42.80
Percentage of Clients Using Frame Touch-ups	4%	4%
Video Hosting per GB	\$12.00	\$13.00
Serving Fee per GB	\$35.00	\$38.00

Master Imaging Server Penetration, Minutes, GB Hosting and Serving Quarterly

Industry	1st Qtr, 2000	2nd Qtr, 2000	3rd Qtr, 2000	4th Qtr, 2000	1st Qtr, 2001	2nd Qtr, 2001	3rd Qtr, 2001	4th Qtr, 2001
Hotel & Resort Properties	50%	2	3	5	8	12	18	27
Entertainment	75%	2	4	7	13	23	41	72
Automotive	20%	0.5	1	2	3	4	5	6
Health Care	75%	2	4	7	13	23	41	72
Executive Search, Modeling, Dating	40%	2	3	5	7	10	14	20
Increase in Master Image-Only Servers		8.5	6.5	11	18	28	47	78
Cumulative Master Image-Only Servers		8.5	15	26	44	72	119	197

Site Connection

	Fee/Hit	Ave # of Hits at each level	% of Total Client sites at each traffic level	Ave Monthly Payment per Client	Image Capture, Processing & Hosting	Fee per Shot	Ave # of shots per client
Monthly Charge Based on Hits on Site	\$	0.10	1500	25%	Single Shot	\$	68
Monthly Minimum	\$	0.10	2500	30%	1/4 Pan and Zoom	\$	225
1 - 4999 Hits, Rate per Hit	\$	0.07	7500	25%	1/2 Pan and Zoom	\$	435
5000 - 9999 Hits, Rate per Hit	\$	0.05	17500	15%	3/4 Pan and Zoom	\$	655
10000 - 24999 Hits, Rate per Hit	\$	0.03	40000	5%	Full Pan and Zoom	\$	855
25000 - Hits, Rate per Hit	\$			100%		\$	10.00

Pricing

Image Only Master Server	\$	1,800	\$	1,620
Distributed Server	\$	800	\$	720
Additional Distributed Servers	\$	400	\$	360
Average Number of distributed servers		0.2		0.4
Average Number of Additional Distributed Servers		0.1		0.2

MIDLAND
PAYROLL ANALYSIS
YEAR ONE

Indirect & Direct Personnel Expenses

Position	SG&A %	1	2	3	4	5	6	7	8	9	10	11	12	Total
President	1	\$ 9,583	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 168,167
Founder	0.5	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 210,000
COO	0.8				\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 121,500
CFO	1			\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 145,000
Assistant	1	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 40,000
Dir Mktg	1	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 85,000
Dir Mktg	1	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 85,000
Accountant	1	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 52,000
Assistant	1	\$ 2,417	\$ 2,417	\$ 2,417	\$ 2,417	\$ 2,417	\$ 2,417	\$ 2,417	\$ 2,417	\$ 2,417	\$ 2,417	\$ 2,417	\$ 2,417	\$ 29,000
Tech	0	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 40,000
Tech	0	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 40,000
VP Sales and Marketing	1	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 85,000
VP Manufacturing	1	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 148,500
Production manager	0	\$ 2,200	\$ 4,583	\$ 4,583	\$ 4,583	\$ 4,583	\$ 4,583	\$ 4,583	\$ 4,583	\$ 4,583	\$ 4,583	\$ 4,583	\$ 4,583	\$ 52,617
Production staff	0	1	2	4	6	7	10	11	14	15	16	17	17	
Production staff \$	0	\$ 2,917	\$ 5,833	\$ 11,667	\$ 17,500	\$ 20,417	\$ 29,167	\$ 32,083	\$ 37,917	\$ 40,833	\$ 43,750	\$ 46,667	\$ 49,583	\$ 338,333
Sales support/production sched	0	1	1	2	2	2	2	2	2	3	3	3	3	
Sales support/production sched \$	0	\$ 2,917	\$ 2,917	\$ 5,833	\$ 5,833	\$ 5,833	\$ 5,833	\$ 5,833	\$ 5,833	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 75,833
Sales staff	1	2	3	3	5	5	5	6	6	8	8	8	8	
Sales staff \$	1	\$ 12,000	\$ 18,000	\$ 18,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 36,000	\$ 36,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ 402,000
Secretaries/admin	1		1	1	2	2	2	2	3	3	3	3	3	
Secretaries/admin \$	1	\$ 2,333	\$ 2,333	\$ 2,333	\$ 4,667	\$ 4,667	\$ 4,667	\$ 4,667	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 56,000
CTO	1		\$ 10,833	\$ 10,833	\$ 10,833	\$ 10,833	\$ 10,833	\$ 10,833	\$ 10,833	\$ 10,833	\$ 10,833	\$ 10,833	\$ 10,833	\$ 108,333
Management	0.8		1	1	2	2	2	3	3	3	3	3	3	
Management \$	0.8	\$ 5,417	\$ 5,417	\$ 5,417	\$ 10,833	\$ 10,833	\$ 10,833	\$ 16,250	\$ 16,250	\$ 16,250	\$ 16,250	\$ 16,250	\$ 16,250	\$ 124,583
Total Personnel		14	17	21	25	27	31	34	37	41	42	43	44	
Total Personnel \$	\$	\$ 85,131	\$ 117,100	\$ 156,604	\$ 187,942	\$ 193,194	\$ 207,364	\$ 221,701	\$ 229,870	\$ 247,708	\$ 250,625	\$ 253,543	\$ 256,461	\$ 2,407,243
Cum Personnel \$	\$	\$ 85,131	\$ 202,231	\$ 358,835	\$ 546,777	\$ 739,971	\$ 947,335	\$ 1,169,036	\$ 1,398,906	\$ 1,646,614	\$ 1,897,239	\$ 2,150,782	\$ 2,407,243	

SG&A - Indirect Personnel Expenses

President	1	\$ 9,583	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 14,417	\$ 168,167
Founder	0.5	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 8,750	\$ 105,000
COO	0.8				\$ 10,800	\$ 10,800	\$ 10,800	\$ 10,800	\$ 10,800	\$ 10,800	\$ 10,800	\$ 10,800	\$ 10,800	\$ 97,200
CFO	1			\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 145,000
Assistant	1	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 40,000
Dir Mktg	1	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 85,000
Dir Mktg	1	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 85,000
Accountant	1	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 52,000
Assistant	1	\$ 2,417	\$ 2,417	\$ 2,417	\$ 2,417	\$ 2,417	\$ 2,417	\$ 2,417	\$ 2,417	\$ 2,417	\$ 2,417	\$ 2,417	\$ 2,417	\$ 29,000
Tech	0													
Tech	0													
VP Sales and Marketing	1	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 7,083	\$ 85,000
VP Manufacturing	1		\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 148,500
Production manager	0													
Production staff	0													
Production staff \$	0													
Sales support/production sched	0													

Million
PAYROLL ANALYSIS
 YEAR TWO

Position	1	2	3	4	5	6	7	8	9	10	11	12	Total
President	1	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 280,000
Founder	0.5	\$ 19,167	\$ 19,167	\$ 19,167	\$ 19,167	\$ 19,167	\$ 19,167	\$ 19,167	\$ 19,167	\$ 19,167	\$ 19,167	\$ 19,167	\$ 230,000
COO	0.8	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 174,000
CFO	1	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 186,000
Assistant	1	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 44,000
Dir Mktg	1	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 93,000
Dir Mktg	1	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 93,000
Accountant	1	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 32,000
Tech	0	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 44,000
Tech	0	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 44,000
VP Sales and Marketing	1	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 93,000
VP Manufacturing	1	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 174,000
Production manager	0	\$ 2,500	\$ 2,501	\$ 2,502	\$ 2,503	\$ 2,504	\$ 2,505	\$ 2,506	\$ 2,507	\$ 2,508	\$ 2,509	\$ 2,510	\$ 30,065
Production staff	0	\$ 17	\$ 19	\$ 20	\$ 22	\$ 23	\$ 25	\$ 28	\$ 28	\$ 30	\$ 32	\$ 32	\$ 32
Production staff	0	\$ 53,833	\$ 60,167	\$ 63,333	\$ 69,667	\$ 72,833	\$ 79,167	\$ 88,667	\$ 88,667	\$ 95,000	\$ 101,333	\$ 101,333	\$ 946,833
Sales support/production sched	0	\$ 4	\$ 4	\$ 5	\$ 5	\$ 6	\$ 6	\$ 7	\$ 7	\$ 7	\$ 7	\$ 7	\$ 7
Sales support/production sched	0	\$ 12,667	\$ 12,667	\$ 15,833	\$ 15,833	\$ 19,000	\$ 19,000	\$ 22,167	\$ 22,167	\$ 22,167	\$ 22,167	\$ 22,167	\$ 224,833
Sales staff	1	\$ 10	\$ 10	\$ 11	\$ 12	\$ 14	\$ 14	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
Sales staff	1	\$ 62,500	\$ 62,500	\$ 68,750	\$ 75,000	\$ 75,000	\$ 87,500	\$ 93,750	\$ 93,750	\$ 93,750	\$ 93,750	\$ 93,750	\$ 987,500
Secretaries/admin	1	\$ 4	\$ 5	\$ 5	\$ 5	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6
Secretaries/admin	1	\$ 10,400	\$ 13,000	\$ 13,000	\$ 13,000	\$ 15,600	\$ 15,600	\$ 15,600	\$ 15,600	\$ 15,600	\$ 15,600	\$ 15,600	\$ 171,600
CTO	1	\$ 12,917	\$ 12,917	\$ 12,917	\$ 12,917	\$ 12,917	\$ 12,917	\$ 12,917	\$ 12,917	\$ 12,917	\$ 12,917	\$ 12,917	\$ 150,833
Management	1	\$ 5	\$ 5	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6	\$ 7	\$ 7	\$ 7	\$ 7	\$ 7
Management	1	\$ 29,583	\$ 29,583	\$ 29,583	\$ 35,500	\$ 35,500	\$ 35,500	\$ 35,500	\$ 41,417	\$ 41,417	\$ 41,417	\$ 41,417	\$ 431,917
Total Personnel		\$ 313,117	\$ 322,054	\$ 334,641	\$ 353,146	\$ 374,587	\$ 380,923	\$ 399,846	\$ 405,764	\$ 412,101	\$ 416,354	\$ 416,354	\$ 4,488,369
Cum Personnel		\$ 313,117	\$ 635,171	\$ 969,812	\$ 1,322,958	\$ 1,682,441	\$ 2,437,951	\$ 2,837,796	\$ 3,243,561	\$ 3,655,661	\$ 4,072,015	\$ 4,488,369	

Position	1	2	3	4	5	6	7	8	9	10	11	12	Total
President	1	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 23,333	\$ 280,000
Founder	0.5	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 9,583	\$ 115,000
COO	0.8	\$ 11,600	\$ 11,600	\$ 11,600	\$ 11,600	\$ 11,600	\$ 11,600	\$ 11,600	\$ 11,600	\$ 11,600	\$ 11,600	\$ 11,600	\$ 139,200
CFO	1	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 186,000
Assistant	1	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 44,000
Dir Mktg	1	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 93,000
Dir Mktg	1	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 93,000
Accountant	1	\$ 4,750	\$ 4,750	\$ 4,750	\$ 4,750	\$ 4,750	\$ 4,750	\$ 4,750	\$ 4,750	\$ 4,750	\$ 4,750	\$ 4,750	\$ 57,000
Assistant	1	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 2,667	\$ 32,000
Tech	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tech	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
VP Sales and Marketing	1	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 93,000
VP Manufacturing	1	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 174,000
Production manager	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Production staff	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Production staff	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales support/production sched	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales support/production sched	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	10	11	12	12	14	14	15	15	15	15	15
Sales staff											
Sales staff \$	62,500	68,750	75,000	75,000	87,500	87,500	93,750	93,750	93,750	93,750	93,750
Secretaries/admin											
Secretaries/admin \$	10,400	13,000	13,000	13,000	15,600	15,600	15,600	15,600	15,600	15,600	15,600
CTO											
Management											
Management \$	29,583	29,583	35,500	35,500	35,500	35,500	41,417	41,417	41,417	41,417	41,417
Total Personnel	224,279	226,880	245,300	245,300	260,403	260,403	272,571	272,571	272,571	272,571	270,488
Total Personnel \$	224,279	451,159	684,290	929,590	1,174,889	1,435,292	1,695,695	1,962,348	2,234,920	2,507,491	2,777,979
Cum Personnel \$											

Production - Direct Personnel Expenses

President											
President	0.5	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583
Founder	0.8	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
COO											
CFO	1	-	-	-	-	-	-	-	-	-	-
Assistant	1	-	-	-	-	-	-	-	-	-	-
Dir Mktg	1	-	-	-	-	-	-	-	-	-	-
Dir Mktg	1	-	-	-	-	-	-	-	-	-	-
Accountant	1	-	-	-	-	-	-	-	-	-	-
Assistant	1	-	-	-	-	-	-	-	-	-	-
Tech	0	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667
Tech	0	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667
VP Sales and Marketing	1	-	-	-	-	-	-	-	-	-	-
VP Manufacturing	1	-	-	-	-	-	-	-	-	-	-
Production manager	0	2,500	2,502	2,503	2,504	2,505	2,506	2,507	2,508	2,509	2,510
Production staff	0	17	19	20	20	8	10	11	12	13	32
Production staff \$	0	53,833	60,167	63,333	69,667	72,833	79,167	88,667	88,667	95,000	101,333
Sales support/production sched	0	4	4	5	6	6	6	7	7	7	7
Sales support/production sched \$	0	12,667	12,667	15,833	15,833	19,000	19,000	22,167	22,167	22,167	22,167
Sales staff	1	-	-	-	-	-	-	-	-	-	-
Sales staff \$	1	-	-	-	-	-	-	-	-	-	-
Secretaries/admin	1	-	-	-	-	-	-	-	-	-	-
Secretaries/admin \$	1	-	-	-	-	-	-	-	-	-	-
CTO	1	-	-	-	-	-	-	-	-	-	-
Management	1	-	-	-	-	-	-	-	-	-	-
Management \$	1	-	-	-	-	-	-	-	-	-	-
Total Personnel		24	26	28	14	17	19	21	22	23	42
Total Personnel \$		88,848	95,184	101,520	107,841	114,177	120,515	133,185	133,187	139,522	145,876
Total Personnel \$		88,848	184,032	285,552	393,393	507,570	621,749	742,264	1,008,636	1,148,158	1,294,034
Cum Personnel \$											

**DEPREICATION SCHEDULE
YEAR ONE AND YEAR TWO**

TYPE OF EQUIPMENT	YEAR	LIFE	TOTAL COST	DEPRECIATION	
				YEAR 1	YEAR 2
SOFTWARE	1	2	35,200	17,600	17,600
SOFTWARE	2	2	38,288		19,144
					<u>36,744</u>
COMPUTERS, VIDEO EQUIPMENT	1	3	266,500	88,833	88,833
COMPUTERS, VIDEO EQUIPMENT	2	3	424,222		141,407
					<u>230,241</u>
TELEPHONE SYSTEM	1	5	200,900	40,180	40,180
TELEPHONE SYSTEM	2	5	428,828		85,766
					<u>125,946</u>
FURNITURE, FIXTURES AND EQUIPMENT	1	7	22,600	3,229	3,229
FURNITURE, FIXTURES AND EQUIPMENT	2	7	30,631		4,376
					<u>7,604</u>
LEASEHOLD IMPROVEMENTS	1	39.5			
TOTAL DEPRECIATION				<u>149,842</u>	<u>400,535</u>

**STATEMENTS OF PROJECTED CASH FLOWS - CASH BASIS
FOR THE TWO YEAR PERIOD**

	<u>YEAR 1</u>	<u>YEAR 2</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCOME (LOSS)	(4,924,015)	7,121,097
ADJUSTMENTS		
DEPRECIATION	149,842	400,535
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(4,774,173)</u>	<u>7,521,632</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
PAYMENTS FOR FIXED ASSETS	(525,200)	(921,969)
CASH USED IN INVESTING ACTIVITIES	<u>(525,200)</u>	<u>(921,969)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
PROCEEDS FROM INVESTOR FINANCING:	6,000,000	
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>6,000,000</u>	<u> </u>
INCREASE IN CASH	700,627	6,599,663
CASH - BEGINNING	-	700,627
CASH - ENDING	<u>700,627</u>	<u>7,300,290</u>



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iviewit.com, Inc. Business Plan

#'s

Eliot

877-484-8444 (w)
561-417-8980 or 800-519-0234 (w)
561-445-8980 (all)
561-999-8810 (fax)

Danny

702-284-7102 (w)
702-595-3400 (m/f)
702-284-7136 (fax)
702-362-7095

*- = Tony Danny, Kathy Yan,
Brian, Eliot ~~_____~~
1/31/00*

*To: iviewit /
business plan file*

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Confidentiality Statement

This business plan and the exhibits hereto (collectively, the "Plan") have been submitted on a confidential basis for use by a limited number of sophisticated investors or acquirers (the "Investor(s)") solely for, and should be used only in connection with, an Investor's consideration of an investment in iviewit.com, Inc., (the "Company"). Its use for any other purpose is not authorized. Any reproduction or distribution of the Plan, or retransmittal of its contents, in whole or in part, without the prior written consent of the Company is prohibited.

This Plan contains certain information of a highly confidential nature, including projections by the Company's management of the Company's performance and other material of a forward-looking nature. The receipt of this Plan constitutes an agreement on the part of the recipient hereof to maintain the confidentiality of the information contained herein or any additional information subsequently delivered in connection herewith. Investors who accept this Plan or become aware of the information contained herein must understand and comply with the extensive restrictions imposed by Federal and State securities laws upon their ability to disclose information contained herein to others or to participate in or otherwise effect or facilitate any transaction relating to any securities of the Company. Investors who cannot comply fully with such restrictions should not review the information contained herein and should immediately return this Plan to the Company.

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Executive Summary

Company

mission
iviewit.com is a company engaged in the application of new visual technologies for the use of consumers to make their experience over the Internet dynamic and real. The Company's business is to leverage its technology

- to license the application, } confusing.
- to develop new markets and applications, and
- to build a platform for visual technology.

iviewit.com Technology

iviewit.com has developed two complimentary technologies to enhance images delivered over the Internet. The first is a state-of-the-art, proprietary technology, enabling full screen, high quality streaming video to be viewed by any internet video player with increased quality and reduced file size. Broadband and modem users can see the streaming video with no (appreciable) download time required. The second digital imaging technology creates an opportunity for full screen still images and panoramas that can be magnified with minimal image distortion. iviewit.com has protected its technology by filing and securing eight patent pending applications for its video streaming and imaging technology.

Benefits of iviewit.com's Technology

The benefits of iviewit.com's technology are as follows:

- it will enhance the image quality of any video content streamed over the Internet regardless of which player is used to view the video
- it will enhance the ability to view still images on the Internet by allowing for incredible zoom and panning by the user
- it will reduce the cost of serving the file for the host sites.

Product and Services Offered

Duplicative. All in prior paragraph
The following lists the products and services offered by iviewit.com. Through its primary source of revenue, licensing deals, the company will create a recurring stream of income that will expand shareholder value. intends to

- Site Licensing for the Distribution of Product Processed by iviewit.com. Each site distributing iviewit.com visual media product must license the technology. The licensing fee will be collected up front as an annual fee and there may be additional royalties due within each annual licensing period for expanded use of the product.
- Image and Video Processing. There is an option between basic processing or edited content processing for a higher quality output. Priority and standard time processing is provided. Priority processing guarantees a next day delivery by ftp to the customer or iviewit.com site. Standard delivery is within 5 working days.
- Web Hosting of Image and Video Content, Linked to a Client's Site. This service will be for content owners who do not have the server capacity to store or stream their content and will not be applicable to all clients. This is an extension of the current

web site. Seamless linking is a well-established Internet technique and has been validated by iviewit.com testing with prospective customers. Since this is not a core part of iviewit.com's business model, the company is investigating the option of hosting services through strategic alliances.

- Photographic or Video Recording Services. iviewit.com has retained the services of a large number of professional videographers in order to handle customer requirements.
- Web Site Creation and Hosting. Professional designer support is available through iviewit.com's subcontract with Real 3D and other web site specialists. This service is not expected to be a major part of iviewit.com's business.

Market Penetration Strategy & Launch

iviewit.com is currently negotiating the license of its products and services with major corporations such as Hyatt Hotel & Resorts, @merican Enterprise.com, 3Com, Playboy, University of Florida, and Sportsline.com. The response to the technology and licensing cost has been very positive. While iviewit.com technology is applicable across a wide spectrum of Business to Business (b2b) and Business to Consumer (b2c) Internet sites, The company will concentrate its licensing initiatives in the following areas: Advertising, Entertainment, Health Care, Luxury Items, Executive Search, Sports, Modeling, and Dating Services.

iviewit.com plans to launch its video streaming technology with a high profile entertainment event called i.m.Nomad. The event is a made for the Internet mini-series consisting of 15 four-minute episodes starring internationally renowned supermodels Heidi Klum, Estella Warren and Rachel Roberts.

Management Team

iviewit.com has a strong, well-experienced and diversified management team, Board of Directors, Advisory Board and Consultants. Brian Utley, President and COO, has been involved in the computer industry since 1955, 37 years of which were with IBM. He has been in senior management and executive positions since 1965 culminating in his responsibility as Vice President and General Manager of IBM Boca Raton with a population of over 6,000 professionals. The Board of Directors and Advisory Board is equally well experienced with backgrounds in running large corporations, developing technology, dealing with patent and business legal issues, financing start-up companies and preparing companies for an IPO.

Strategic Alliances with Real 3D and @merican Enterprise.com

iviewit.com has signed strategic partnerships with Real 3D, a well-respected technology company that is owned by Lockheed Martin, Silicon Graphics Inc. and Intel, and with @merican Enterprise.com, the leading portal for the aggregation and dissemination of health care information. Real 3D is providing hosting, serving and technology enhancement services. In addition, Real 3D has performed a technology evaluation phase of iviewit.com's imaging and video streaming technology, in which they found it to be "eloquent". With @merican Enterprise.com, iviewit.com will make health care related video and imaging content accessible to consumers, employers, physicians, government agencies, and suppliers. In addition to the content opportunities with the countless entities

Co-brand
launch w/
Sportsline
and Broadway.com

who will utilize this network, iviewit.com will also gain access to @merican Enterprise.com's other national and international strategic alliance partners. iviewit.com has also created alliances with various business, patent law and entertainment companies.

Financial Analysis

- Approximate overhead expenses
- Profit, return rates
- When iviewit.com expects to break-even
- Use of Proceeds
- How much money iviewit.com is looking for in this round of financing
- Exit Strategies May Include: IPO, Partnering with Another Company, Spin-off of Technology Application and/or Create Multiple Companies for Different Markets

Company

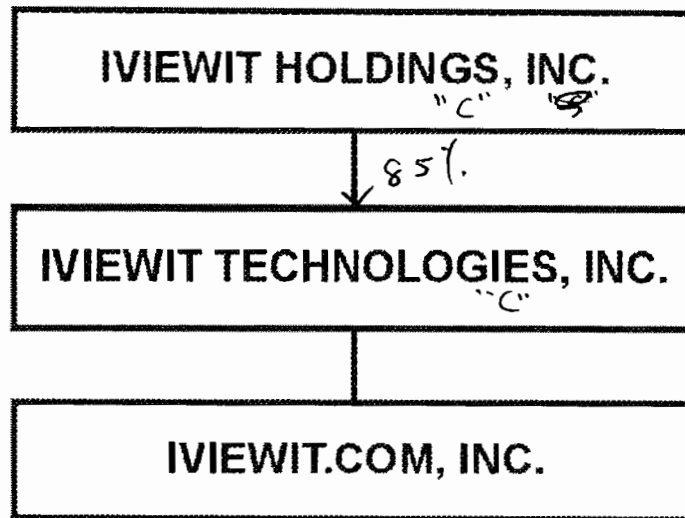
Company Background

iviewit.com, Inc., located in Boca Raton, Florida, was formed in 1999 under the laws of the state of Delaware. iviewit.com was formed to research, develop, license and sell various Internet based products and services to the vast growing e-commerce market. iviewit.com has developed state-of-the-art proprietary technologies enabling full screen, TV quality streaming video and digital imaging for the Internet. The streaming video can be seen by both broadband and modem users with no download time required. The digital imaging allows for full screen still images or panoramas that can be magnified with minimal image distortion. iviewit.com has protected its technology by filing and securing eight patent pending applications for its video streaming and imaging technology. (Please see the section titled "Proprietary Technology and Patents Pending" under the Product Description for more details).

Seed funding for iviewit.com was received in September '99 from Huizenga Holdings, Inc. Huizenga Holdings is controlled by Wayne Huizenga, a successful industrialist best known for starting Blockbuster Video and owning major sports teams such as the NFL Miami Dolphins and NHL Florida Panthers. This seed funding allowed the Company to start operations in its current location in October. Since that time the Company has established a beta web site, initiated digital imaging production through a sub contract with Strategic Partner Real 3D, continued development of the iviewit.com video process and hired an initial sales staff. The Company has refined its technologies for commercial exploitation and early sales contacts and contracts have confirmed the commercial value of iviewit.com's technology. The Company is now seeking financing to realize the potential of its products and technologies.

The Company was initially formed as a limited liability company. For various business reasons, the Board authorized the conversion of the company into a 'C' corporation. This was accomplished on December 29, 1999. The corporate structure now is: (Need to add a description of what each of these entities are for – Waiting to hear back from Chris Wheeler)

Is this explained
somewhere in more
detail?



Future Plans for *iviewit.com*

iviewit.com believes that there is a virtually unlimited growth opportunity for its proprietary visual Internet media. Once it has secured funding, *iviewit.com* will focus on aggressively licensing its video streaming and imaging technologies to establish a branded leadership position for enhancing images viewed over the Internet.

Key Management

- **Brian Utley, President and Chief Operating Officer** - Mr. Utley has been involved in the computer industry since 1955, 37 years of which were with IBM. He has been in senior management and executive positions since 1965 culminating in his responsibility as Vice President and General Manager of IBM Boca Raton with a population of over 6,000 professionals. During his career he has been responsible for advanced technology product development on many fronts. In addition he was responsible for a number of IBM's overseas activities including product development, product management and market development. The most notable of which was the introduction of the IBM PC to Europe. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results.
- **Eliot I. Bernstein, Founder and Chief Technology Officer** - Mr. Bernstein, a graduate of University of Wisconsin in psychology with a minor in computer science, spent 15 years in a highly successful insurance career during which he created many innovative and effective computer based, multimedia marketing tools. These products remain in use today to service over \$1 billion of insurance business. In 1998, like many entrepreneurs, Eliot chose to risk everything to pursue his dream of creating high impact visual applications for the Internet and *iviewit.com* was born. He combined his passion for photography and video with a burning desire to see the Internet evolve from a text-based medium to a visual tool. As Chief Technology Officer Eliot oversees the development of all aspects of *iviewit.com*'s imaging and video technology. As the inventor behind the patents now in process at the US Patent

Is he CTO?

Office Eliot continues to play a key role in the development of visualization technology and is committed to insuring that iviewit.com maintains its leadership position in the industry.

- **Jim Armstrong, VP of Sales and Marketing** – Mr. Armstrong has owned and operated The Armstrong Group, Ltd. since 1982, and still receives ongoing royalties from the business. The Armstrong Group is a financial planning, insurance consulting and sales firm targeting the corporate executive and high net-worth markets. Jim also worked for Prudential Securities as the National Sales Manager for its Primary Client Services and Life Agency Divisions. In the Primary Client Services Division, Jim directed the sales effort for the company’s retirement products, financial planning capabilities and central asset account. In the Life Agency Division, Jim was responsible for building the infrastructure for this start-up venture. He developed marketing materials, formulated policies and procedures, and recruited and supervised a national network of planning specialists.

Although the current key management team’s vast experience is a tremendous asset to the company, iviewit.com understands that it needs to assemble a more diversified, highly qualified management team. Once funding is secure, iviewit.com intends to fill the following additional key positions within 60 days:

- Chief Executive Officer
- Chief Financial Officer
- EVP of Sales & Marketing
- VP of Licensing

Board of Directors

- **Brian G. Utley, President & COO**
- **Eliot I. Bernstein, Founder & CTO**
- **Simon L. Bernstein, Chairman of the Board** - Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over \$800 million in life premium sales. Mr. Bernstein's career in the life insurance industry began in 1965 when he became the top producer for Aetna Life and Casualty Company. He has remained in the top 5% of life insurance sales agencies since that time. Mr. Bernstein supplied the initial “angel” investment into iviewit.com
- **Gerald R. Lewin, Director** - Gerald Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. In 1981, Mr. Lewin joined Donald Goldstein to form Goldstein Lewin & Co., which currently has a leading 30 man southeastern accounting firm. Mr. Lewin specializes in business consulting and is highly knowledgeable in many areas of accounting, tax and financial planning. Mr. Lewin is a member of both the American Institute of

Certified Public Accountants and the Florida Institute of Certified Public Accountants.

- **Maurice R. Buchsbaum, Director** – Mr. Buchsbaum has engaged in corporate finance projects as a principal, advisor, consultant, director or senior managing director for the past 27 years. As a partner or senior officer of several leading investment banks (including Drexel Burnham, Kidder Peabody and JW Genesis), he has worked in all aspects of corporate finance. He formed Emerald Capital Partners in early 1999, to provide strategic planning and banking advice to a myriad of small and medium sized American growth companies. He has engaged in numerous public and private transactions that include seed capital, early stage financing, major and late stage strategic finance, restructuring and mergers/acquisitions ranging in size from \$1 million to \$700 million. His industry experience includes health care, technology, telecommunications, biotechnology, financial services, environmental, and airlines. He holds BS and MBA degrees with honors from Ohio State University, and was a fellow in the doctoral program at Northwestern University.

Strategic Partners & Investors

- **Real 3D®, Inc.** – iviewit.com is currently engaged in a strategic partnership with Real 3D, a well-respected technology company that is owned by Lockheed Martin, Silicon Graphics Inc. and Intel, who is providing hosting, serving and technology enhancement services. Real 3D has participated in the technology evaluation phase of iviewit.com's proprietary Imaging and Video Streaming products. Real 3D has found iviewit.com's web-based products to offer an extraordinary high-resolution panoramic view capability that can have many uses in the e-commerce arena.
- **Huizenga Holdings, Inc.** - Huizenga Holdings Inc. through Investech Holdings, LLC is the founding equity partner of iviewit.com. Huizenga Holdings Inc. brings a strategic portfolio of Internet investments and businesses, which has helped fuel the expansion of iviewit.com's video and imaging technology. Huizenga Holdings is controlled by Wayne Huizenga, a successful industrialist best known for starting Blockbuster Video and owning major sports teams such as the NFL Miami Dolphins and NHL Florida Panthers.
- **Armstrong Hirsch Jackoway Tyerman & Wertheimer** - Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C. is one of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting iviewit.com in developing the business structure of the Company.
- **Proskauer Rose** - Proskauer Rose LLP is one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients

through the United States and around the world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.

- **Meltzer Lippe Goldstein & Schlissel, P.C.** – The firm’s focus is providing legal and business-related services to high-technology companies. These services include public offerings, venture financing, mergers and acquisitions, executive compensation strategies, tax structuring, intellectual property audits, patents, patent licensing and corporate and intellectual property litigation services. Meltzer Lippe practices in more than 20 legal disciplines and acts as General Counsel to the Long Island Venture Fund, Newlight Associates, L.P., and LISTnet, where they are also a Founder. The firm served as outside General Counsel to Cheyenne Software, Inc. until it merged with Computer Associates International Ltd.

- **@merican Enterprise.com** – More than 70% of all of Internet page views are related to health care and the health care industry. Recognizing the importance of this market segment, iviewit.com is in discussion to develop a strategic relationship for the aggregation and dissemination of health care information. @merican Enterprise.com and iviewit.com are exploring formats to make accessible health care related video and imaging content to consumers, employers, physicians, government agencies (e.g. Medicare, Social Security) and suppliers (e.g. pharmaceutical companies). @merican Enterprise.com is building a private network comprised of 262 hubs located throughout North America. In addition to the content opportunities with the countless entities who will utilize this network, iviewit.com may also gain access to @merican Enterprise’s other national and international strategic alliance partners.

Status of this deal?

Iviewit.com also has an Advisory Board, Legal Counsel and Business Consultants who bring an extensive knowledge base, business connections and experience to the development of iviewit.com. Please see “Attachment B – iviewit.com’s Advisory Board, Legal Counsel and Consultants” for more details.

Industry Analysis

Broadband Industry

The transmission of data intensive content over the Internet has been limited due to historical bandwidth constraints. However, the increasing availability of improved delivery systems, such as digital cable modems, T-1 lines, satellite delivery systems and

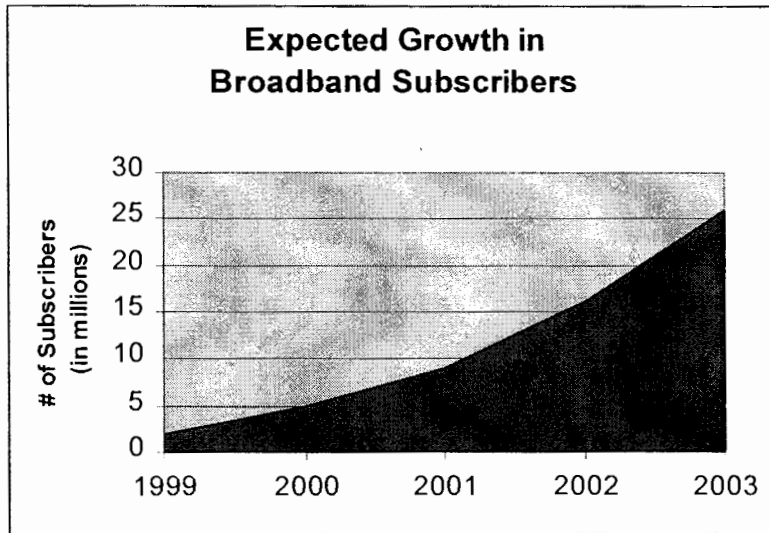


Chart 1.0 – Forrester Research and Broadband Intelligence

DSL networks are enabling the use of more feature-rich multimedia content. These broadband systems typically allow sustained data transfer to the user of at least 256 kilobits per second, or approximately 5 times the access speed of the fastest standard narrowband modems.

US cable modem subscribers are expected to increase to 3.3 M in 2000 (up from 1.6M in 1999). DSL customers (served by phone companies) will nearly triple to 1.4M in 2000 from 500,000 in 1999.¹ And the total number of broadband subscribers by the end of Year 2002 and 2003 is expected to be 16 million and 26 million, respectively.²

The broadband industry is drawing billions of dollars in capital investments to develop the necessary infrastructure for broadband content and delivery. The cable companies are massively marketing this existing user base to include broadband access. Similarly, the telephone companies are upgrading their lines to offer DSL access. In addition, major hardware manufacturing companies, application developers and content providers are racing to be the de facto standard for broadband delivery.

Streaming Media Industry

Multimedia streaming technology is bringing new levels of versatility, quality and simplicity to the creation and distribution of multimedia content over the Web. One measure of the growth in use of streaming media is the number of registered users posted by RealNetworks, a company that develops software used by broadcasters to stream multi-media content over the Internet. The first RealPlayer was released in 1995, and to

¹ Broadband Intelligence July 1999

² Forrester Research

date over 80 million unique users have been registered. The RealPlayer download rate now exceeds 175,000 per day, an increase of more than 270% since the beginning of 1997.

The emergence of rich multimedia capabilities, such as streaming audio and video, will continue to enhance the effectiveness of the Web as a mass communications medium and Intranets as a means to improve corporate communications. Content delivered through traditional media, such as television and radio, will be increasingly delivered over the Internet.

Digital Imaging Industry

Fundamental changes are occurring in the photography industry with the introduction of the digital camera. The digital camera allows the user to take pictures and display them digitally, either on a personal computer or over the Internet, without the need for traditional film development. Because digital cameras were initially expensive, early adopters of this technology were Professionals and hobbyists. Recently, sales of digital cameras have grown substantially due to improved performance and lower unit prices. IDC forecasts that worldwide digital camera shipments will grow from 2.7 million units in 1997 to 29.5 million units in 2002.

Companies are increasingly using digital imaging to effectively promote their products on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat two-dimensional images offering a limited field of view. Technological innovations that enhance realism and interactivity and contribute to a viewer's retention to that web site will facilitate the success of e-commerce by leading to increased sales and advertising rates. Specifically, immersive imaging, or the ability to create the viewing perspective of being inside the image, is becoming increasingly popular with many web sites. However, image creation with many of the existing immersive technologies is labor intensive and requires proprietary hardware. Conditions such as inadequate lighting, subject motion or lack of portability reduce the effectiveness of the image. As a result, market acceptance of these technologies has been limited.

In order for widespread adoption of immersive imaging by businesses and consumers to occur, new immersive technologies must offer the following benefits:

- Ease of creating and viewing an image
- East of distributing and sharing the image
- Portability of the capture device
- Cost effectiveness
- Use of standardized technology
- Platform independence

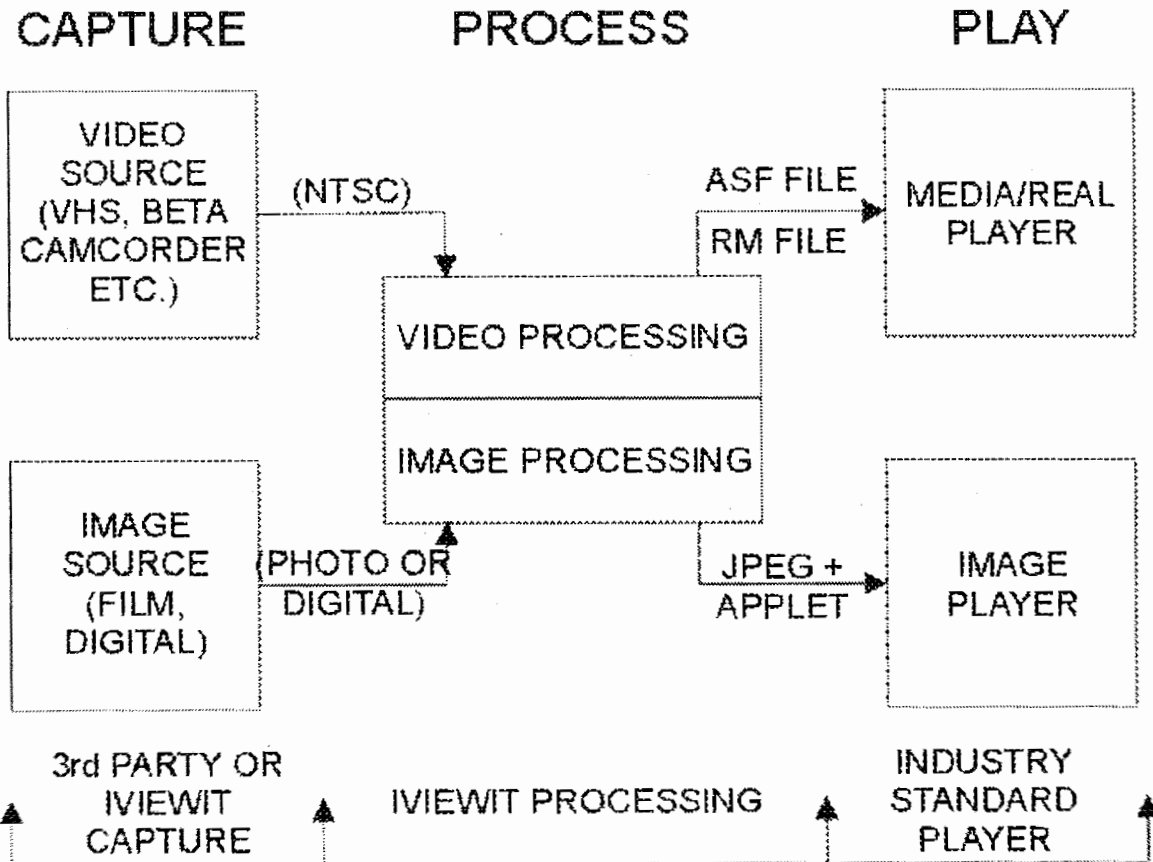
in addition to any other players.

Product & Service Description

Process

iviewit.com's impressive visual media products are the result of several years of development focused on the entire process of image/video delivery over the Internet. Care has been taken to be platform agnostic to preserve the broadest possible range of application. iviewit.com's suite of technology processes work across all industry platforms. Therefore, iviewit.com's process will enhance both Microsoft's media player and Real Network's players. The result is industry leadership products without requiring special downloads or equipment. iviewit.com processes are proprietary and protected as trade secrets and patent pending applications filed with the U.S. patent office. While video and imaging are treated separately, it should be noted that they are complementary both from a process point of view and from a customer perspective. Many potential customers have both requirements such as the resort and hotel industry and the health care industry. iviewit.com views these products as an integral part of a sales portfolio.

IVIEWIT VISUAL MEDIA PROCESSING



Video Streaming

Streaming video is the most exciting form of content distribution over the Internet and has challenged the industry since the inception of the concept several years ago. Current processing techniques yield pictures that are small, jerky and fuzzy. Motion is a particular problem because the image refresh process tends to produce highly distorted pictures. iviewit.com has succeeded in producing VHS quality video over broadband networks and significantly improved modem speed results. These results are obtained while minimizing the bandwidth required for the streaming video event.

The payoff flows both to the viewer and the provider. The viewer sees a much more acceptable picture and the provider is able to optimize the total amount of communications bandwidth available. Internet ready streaming digital files are produced from virtually any source creating NTSC (US) compatible or IEEE 1394 firewire interfaces. Other modality such as PAL or SECAM can be accommodated. The output digital files are MS Media Player or RealNetworks RealPlayer compatible. Individual files are produced for either modem or broadband use and designed to minimize the amount of bandwidth required to produce the highest possible quality image. Processing times range from 3X to 6X the playtime of the video depending upon the length of the video and the output file. The proprietary process is extendable to include video acquisition. Even though this phase is not a pre-requisite, improvements in final video quality are attainable by using iviewit.com's *total video process*.

Digital Imaging

iviewit.com offers a wide range of "over the web" high quality, full screen imaging technologies. Images processed by iviewit.com can be viewed with zoomable and panoramic images of up to 360 degrees. Images produced by iviewit.com's proprietary process are identical in quality regardless of speed on the end-user's Internet connection speed. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. Output file sizes typically range from 30KB to 400KB for a full 360-degree panorama. Source material may be conventional emulsion type film or digital. Special photographic techniques are employed to ensure the final quality of the process ("garbage in, garbage out"). Unlike conventional web-ready images which become severely distorted after magnification attempts of just 1-2 times, iviewit.com processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. Real 3D have reviewed the imaging process and results, and their comment from their review was "superb" and "elegant".

These are the types of digital images that iviewit.com can create with its technology:

- **Single shot** - A single photo frame. Used for simple flat scenes or objects.
- **Quarter Pan and Zoom** - Typically 3 photo frames stitched together to provide a wide perspective and up to a 90 degree camera sweep angle. Used for small rooms or wide objects.

- **Half Pan and Zoom** - Typically 6 photo frames stitched together to provide up to a 180 degree panoramic camera sweep angle. Useful for panning a room from the center of a wall.
- **Three quarter Pan and Zoom** - Typically 10 photo frames stitched together to provide up to a 270 degree panoramic camera sweep angle. Used for a wide panorama or a large room taken from a corner or offset from the center.
- **Full Pan and Zoom** - Typically 13 - 16 photo frames stitched together to provide up to a 360 degree panoramic camera sweep angle. Used for a full outside panorama or a large room from the center of the room.

Proprietary Technology and Patents Pending

iviewit.com has an extensive portfolio of proprietary technologies in the fields of image and video data processing as well as proprietary technology for network delivery systems for delivering its proprietary image and video data and information from a network-based computer platform.

Filed?
Correct terminology?

To date, iviewit.com currently holds eight patents pending in the fields of image and video processing, image and video file transmission over a communication network, and video data processing and transmission in a communication network. iviewit.com is aggressively seeking to procure patent protection in the United States and abroad for its patent pending technologies.

iviewit.com has adopted a two-prong approach to building an extensive patent portfolio. iviewit.com plans to continue aggressively developing and seeking patent protection for its own proprietary technologies. iviewit.com will further seek to improve upon existing technologies as these technologies come to the market. While patent pending status does not, in itself, guarantee that a patent will ultimately issue, or that an issued patent will not face a judicial challenge in the Courts or an administrative challenge in the U.S. Patent & Trademark Office, iviewit.com believes that the pending claims in its patent applications are well supported and will provide iviewit.com with broad patent protection. iviewit.com further believes that its proprietary technologies, and related trade secrets, provide it with a substantial competitive advantage.

Future Development

iviewit.com's goal is to maintain a leadership role in visual technologies and continued research and development will be employed to this end. iviewit.com's product output will stress user friendliness, superior picture quality and effective presentation for the experience by the end user.

Extensions of the current technology are planned to provide similar improvements in videoconferencing. Early testing has validated the feasibility of these extensions and funding will provide the resource necessary to complete the development work. It is estimated that a product could be ready to market within 6 - 9 months from funding. Also, a TV interface adapter, which allows a PC monitor output to be connected to a TV set, is planned for future development. Using a TV this way further enhances the quality of the video since a TV set is optimized for displaying video images.

Product and Services Offered by iviewit.com

In order to provide its customers a full range of services to create and offer quality video and images over the Internet, iviewit.com offers the following products and services:

- ***Site Licensing for the Distribution of Product Processed by iviewit.com.*** Each site distributing iviewit.com visual media product must license the technology. The licensing fee will be collected up front as an annual fee and there may be additional royalties due within each annual licensing period for expanded use of the product.
- ***Image and Video Processing.*** There is an option between basic processing or edited content processing for a higher quality output. Priority and standard time processing is provided. Priority processing guarantees a next day delivery by ftp to the customer or iviewit.com site. Standard delivery is within 5 working days.
- ***Web Hosting of Image and Video Content, Linked to a Client's Site.*** This service will be for content owners who do not have the server capacity to store or stream their content and will not be applicable to all clients. This is an extension of the current web site. Seamless linking is a well-established Internet technique and has been validated by iviewit.com testing with prospective customers. Since this is not a core part of iviewit.com's business model, the company is investigating the option of hosting services through strategic alliances.
- ***Photographic or Video Recording Services.*** iviewit.com has retained the services of a large number of professional videographers in order to handle customer requirements.
- ***Web Site Creation and Hosting.*** Professional designer support is available through iviewit.com's subcontract with Real 3D and other web site specialists. This service is not expected to be a major part of iviewit.com's business.

Market Opportunity & Penetration Strategy

Market Opportunity for Video Streaming

Streaming media is now the most widely used application after browsers and online programs like AOL on the Internet... and it is growing exponentially. Microsoft's Media Player, RealNetworks suite of players and Apple's Quick-Time Player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, *on demand*.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies mentioned above. iviewit.com's suite of technologies will positively affect and benefit all of these parties.

- **End Consumers** – For consumers who have a broadband pipe in their homes, streaming video is the “killer app.” The promise of rich visual content defines the reason for paying between \$40 - \$50 per month for the increased bandwidth. It means that consumers can *see* the entertainment, news, product commercials, infomercials and education videos they want at near TV quality. That promise will be maximized by the proliferation of content delivered through and with iviewit.com. The companies responsible for providing the infrastructure for broadband recognize the importance of promoting enabling technologies and driving media rich content to the web. Their paradigm has shifted to include content creation as a significant element of their overall strategy. Greater availability of quality content on the web will increase demand for the pipes necessary to view it. Similarly, the popularity of software applications that “play” the content files will increase dramatically as iviewit.com's technology will enhance any media player operating on a broadband network and provide video quality full screen streaming media.
- **Business to Business (b2b) E-Commerce Sites** - For b2b e-commerce sites, iviewit.com's technology will provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product manuals through iviewit.com's proprietary system, business e-commerce sites can leverage their video and image investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality visual experiences. Licensing these b2b sites will be a primary market focus for iviewit.com's technology.
- **Intellectual Property Owners** - For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues etc., iviewit.com's technology means that video streaming can finally become a revenue source. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for the small screen, grainy content prevalent on the web today and the pipeline required for serving these files is expensive. iviewit.com's

technology provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and reducing the digital stream size required to serve them. These solutions are at the core of iviewit.com's competitive market advantage.

- **Digital Distributors** - For digital video distribution companies, iviewit.com's technology is extremely attractive because it reduces the required file size to be streamed by approximately XX%. This technology will decrease the cost to business e-commerce sites and intellectual property owners, thus making it more economical and causing an increase in demand for digital video distribution.

In summary, the marketing potential for iviewit.com's technology is ~~substantial~~ ^{enormous}. The Company will engage in a high profile launch campaign designed to build awareness for its technology with all the key market influencers and then concentrate on a licensing program to populate its technology among b2b and b2c Internet sites:

Market Opportunity for Digital Imaging

Companies are increasingly using digital imaging to promote their products and present information on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat and two-dimensional offering a limited field of view. The alternative, immersive imaging (the ability to create the viewing perspective of being inside the image), is becoming increasingly popular with many web sites, but is still labor intensive, requires proprietary hardware and severely distorts the image after magnification of 1-2 times.

In contrast, iviewit.com's technology allows for high quality, full screen imaging with zoomable and panoramic images of up to 360 degrees with very high levels of zoomability. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. iviewit.com processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. Plus the process, which requires only ?? minutes per image, is not labor intensive and can be quickly completed. As a result, iviewit.com will offer higher quality technology and lower image processing costs than its competitors.

Market Penetration

iviewit.com has already begun to sell its technology to various corporations and is currently in negotiations with the following potential clients:

- | | |
|---|--|
| <ul style="list-style-type: none">• 2500 Partners• 3Com• @merican Enterprise.com• Armstrong Blum Manufacturing• Atlas Entertainment• Big Entertainment, Inc. | <ul style="list-style-type: none">• Internet Entertainment Group, Inc.• KidsCamp.com• Lovemate.com• Machineweb.com• Playboy• Sportsline.com |
|---|--|

- | | |
|----------------------------|-------------------------|
| • Boca Resort & Beach Club | • Thehealthnetwork.com |
| • Centrack | • University of Florida |
| • Divine Interventions | • Versifi |
| • Ezlinksgolf.com | • Webcasts.com |
| • Hyatt Hotels & Resorts | • West Palm Beach Lexus |

iviewit.com has identified various markets to target with its imaging and video streaming technology. (Please see Attachment C titled "Potential Markets for iviewit.com's Video & Imaging Technology" for a list of target markets.) To date, iviewit.com has entered into licensing discussions with firms in Automotive, Health Care, Executive Search, Modeling, Casting and Dating Services industries.

Video streaming and still image enhancement are nascent markets and there are no benchmarks for pricing iviewit's proprietary technology enhancements. Therefore, the company has based its licensing strategy and product penetration from the following information:

- iviewit.com's contract negotiations with current clients
- iviewit.com's understanding of what companies are willing to pay for this technology, including the business economics of a given industry

iviewit.com has also based its pricing based on the fact that there are currently no direct competitors to its technology. However, as competition prevails and market conditions change, iviewit.com's pricing will adjust accordingly.

iviewit.com realizes that the needs and budget for each company and indeed across industries vary tremendously. In response to this, iviewit.com will need to specially craft a licensing contract with each company. However, the following pricing strategy gives an overall projection of what companies on average will be charged for iviewit.com's video streaming and imaging products and services.

Pricing - Video Streaming

iviewit.com will require an annual license to process a video source into an iviewit.com file to be streamed over the Internet. The licensing fee will depend on the number of distributed servers that the company uses for its web site. The rationale behind this is that the license fee should be greater if the technology is being used and exploited by a larger number of users. And generally, web sites that have larger number of users require additional distributed servers. iviewit.com has decided to use distributed servers as a usage benchmark (instead of number of hits to the web site streaming the video) because of the ease in benchmarking the fee to clients.

iviewit.com will also charge a per minute fee for the processing of the video. Depending on the needs of the client, the processing of the video will vary greatly. For example, an advertising agency focused on optimizing 30 and 60 second spots will have vastly different requirements than a worldwide hotel chain with three to five minute infomercials on each property. Additionally, there are different levels of processing costs

associated with the image quality required by the client. For a client that does not require frame by frame analysis to its video (i.e. a video segment on a local community college), the amount of labor to process the video is minimal and the cost will be approximately \$5 a minute to process. For clients who require frame by frame processing for their video, iviewit.com will charge incremental fees priced to account for the time and labor involved. (Danny's Comment: Brian and Elliot---lets be careful...This does not make sense as currently written. A video with 1,000,000 investment per minute does not have "flaws"; the question becomes the real sweet spot for iviewit.com's technology process and what precision is required; help! we need clarity here)

(Danny's Comment: I do not think we should "host" anything in retrospect. Lets talk about an alliance with a hosting company; take a referral fee, and move on. There are too many companies investing in this space with core competency and pricing advantages; we should not be one of them)

Although not a core part of its business, iviewit.com will offer video hosting for those clients who need a complete video streaming solution. The monthly storage, database maintenance and serving fee will be based on the number of gigabytes hosted by iviewit.com. On average, it is expected that most sites will require XX gigabytes of storage and streaming. The company sees this pricing model as part of its overall plan to identify and "brand" iviewit.com as a total solution service-oriented business for its clients. iviewit.com will outsource this service with several partners accordingly to the scope and scale of the client requirements

The following outlines the approximate fees for licensing the technology and video processing.

Video License Charges:	First year	Following years
Video and image master server	\$25,000	\$22,500
1st distributed server	\$12,000	\$10,800
Additional distributed servers	\$8,000	\$7,200
Video Processing	\$/min.	
Processing of VHS or S-VHS tape to video player format	\$5.00	
Processing of VHS or S-VHS tape to video player format with frame editing	\$50,000	
Video Hosting, Monthly Charges	\$/GB/mo.	
Storage and Data Base Maintenance	\$12.00	
Serving Fee	\$35.00	

Pricing - Imaging

iviewit.com will require an annual license fee to process still images to a zoomable and/or panoramic iviewit.com digital image. The licensing fee will increase with additional distributed servers used by the company.

In addition, if the client requires, iviewit.com will arrange for hosting of the images through its strategic alliance with (x) and collect a referral fee for the service.

iviewit.com will offer a turnkey suite of services to its customers that include: capturing, processing and hosting the images. The price of these services will depend on the type of image that iviewit.com creates. (Please see the section titled "Digital Imaging" under the Product and Service Description for details on the types of images iviewit.com can create.) In addition to this per image processing fee, iviewit.com will also charge a monthly fee for the number of connections made to the site. The site connection rate will be tiered and the monthly minimum fee will be \$150.

The following outlines the approximate fees for licensing the imaging technology, capturing, processing and hosting, and connecting to the site:

Image License Charges:		First year	Following years
	Image only master server	\$1,800	\$1,620
	distributed server	\$800	\$720
Image Capture, Processing and Hosting:		Each	
	Single shot	\$68	
	Quarter Pan and Zoom	\$225	
	Half Pan and Zoom	\$435	
	Three quarter Pan and Zoom	\$655	
	Full Pan and Zoom	\$855	
Monthly Charge Schedule Based on Site Connections:		Rate \$	
	Schedule 1 - 1 to 4,999 hits	0.10	
	Schedule 2 - 5,000 to 9,999 hits	0.07	
	Schedule 3 - 10,000 to 24,999 hits	0.05	
	Schedule 4 - 25,000 + hits	0.03	
	Monthly minimum of \$150		

Launch Strategy- A Worldwide Episodic Miniseries Made for the Internet

In order to generate tremendous market visibility and prove the commercial value of iviewit.com's technologies to consumers, business e-commerce sites, intellectual property owners, digital distributors and Wall Street, iviewit.com plans to launch its video streaming technology with a high profile entertainment event. iviewit.com is currently in discussions with the producers of "i.m.Nomad" to use iviewit.com's technology to stream this revolutionary made for the Internet episodic mini-series. iviewit.com will receive significant recognition as the technology driving the high quality video streaming.

The following is a description of the event:

i.m.Nomad is a breakthrough short-form, entertainment mini-series consisting of 15 four-minute episodes and crafted for the Internet. In these cliffhanger episodes, the Nomad plunges three stunningly beautiful women into a world where meaning and truth are elusive. Part adventure story and part surreal experience, the Nomad journey immerses views in a

Still imaging also will be used in promo photos

world of wonder and sensual beauty. These erotic, episodic and wholly interactive stories, combined with behind-the-scenes footage, will form the basis for a one-hour pay TV special and DVD release.

i.m.Nomad stars three of the world's most high profile and successful supermodels: *Sports Illustrated* cover girl Heidi Klum, Chanel spokesperson Estella Warren and *Victoria's Secret* model Rachel Roberts. These internationally recognized beauty stars will perform for the first time ever in the nude. Each will assume a different identity, which will be characterized with stylized, signature body art. Heidi Klum, Estella Warren and Rachel Roberts will actively promote the venture in all forms of media as part of an orchestrated worldwide campaign, which includes: Internet viral marketing and magazine, television and radio interviews.

iviewit.com feels the concept and demographic of this mini-series best targets its consumers. This Internet Event is targeted towards a male audience, which reflects the current majority of broadband users. The extension of the mini-series over 12- 15 weeks allows significant opportunity for PR and major promotions.

Additional launch initiatives being considered by iviewit.com are to forge strategic alliances with Pay-Per-View companies to produce live events with well-known artists such as Billy Joel, CSNY and Dixie Chicks.

Also mention co-branded
"watermark" contracts with
CBS Sportsline + Broadway.com.
Will occur first.

Also explain why iviewit is better than the other encoding companies.

Competitive Analysis

Streaming Media

There are no direct competitors to iviewit.com in the streaming media industry. Software providers, digital distributors, content

Industry	Company Examples
Software Providers	MS Media Player, RealNetworks
Digital Distributors	InterVU, iBeam
Content Providers	Broadcast.com, AtomFilms.com, Den.net
Encoding Services	Loudeye, Sonic Foundry, VideoDome.com

Table 1.0 – Potential Strategic Partners or Licensees

providers, and encoding services will benefit from the increased use of iviewit.com's technology and potentially could be strategic partners or licensees.

Although a truly different product than iviewit.com's, encoding services can be considered indirect competitors. The following describes the key companies in the encoding industry:

Explain the difference between encoding and iviewit process

- Loudeye** – Loudeye, originally encoding.com, is a provider of digitizing and encoding services. The company offers expertise in streaming media production and delivering high-quality, cost-effective output. Loudeye's Optimized Encoding Process™ and proprietary software offers a robust solution for media compression. Loudeye has converted more than 500,000 minutes of audio and video to Internet-playable formats. The company's partnership with platform developers such as Microsoft, Apple and RealNetworks allows first-to-market technologies and codec support.
- Sonic Foundry** - Sonic Foundry, Inc. is a provider of PC-based software products that enable users to easily work with and edit digital media. Sonic Foundry's products are used worldwide for multimedia and Internet applications, music and audio post-production, broadcast production, and digital content creation. Sonic Foundry's products and services offer media consumers the ability to capture and create media, edit the content, and deliver the information via fixed media or electronic distribution. The Company's products are designed to run under both the Windows and Windows NT operating systems.
- VideoDome.com** – VideoDome.com is a provider of Internet video OnDemand solutions. Using its InstaStream system, the company enables the conversion of standard video footage to video on demand. VideoDome.com offers inexpensive and automated solutions to broadcasting media either via a listing in the VideoDome OnDemand Channel Directory, your own existing web site, or a dedicated channel with various features including chat, user subscription options and client customization. Videodome.com garners over half a million OnDemand video requests across its networks every month.

(Can we include a matrix like the one in Digital Imaging, to compare these competitors with iviewit.com's video streaming technology?)

Digital Imaging

There are various companies offering digital imaging services over the Internet. However, as described in the Product and Services section, iviewit.com offers full screen higher quality images that are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. None of iviewit.com's competitors can provide this type of quality imaging.

The following describes the major competitors to iviewit.com in the digital imaging industry:

- **Bamboo.com** – Bamboo.com provides virtual tours of real estate properties for sale or rent in more than 100 metropolitan areas across the US and Canada. The tours allow users to view the inside and outside of properties, panning right and left or zooming in for a better look. Bamboo.com charges real estate agents a one-time fee to videotape a property, convert the videotape into a virtual tour, and distribute the tour through Internet sites or e-mail. The company markets its tours through agreements with Web sites such as REALTOR.com and HomeBuilder.com.
- **Interactive Pictures Corporation (IPIX)** - Interactive Pictures puts you in the picture. The company's IPIX technology is used by travel and hospitality (Marriott), publishing (New York Times), real estate (ERA), education (National Geographic), and entertainment (Disney) companies to enhance multimedia content, interactivity, and e-commerce on Web sites. Its Wizard software (sold on a per-use basis) converts two photos taken with a digital camera into one IPIX image. The company also sells IPIX-ready digital cameras and accessories and offers multimedia services. Interactive Pictures, whose shareholders include investor Lee Martin, Motorola, MediaOne, and GE Capital, is merging with Bamboo.com.
- **Live Picture / MGI Software** – Live Picture, Inc. (LPI) provides Internet imaging and is the inventor of zoomable images for the Internet. Live Picture develops and sells a complete suite of image servers and Internet and consumer applications based on its Zoom image technology. Live Picture products are used for creating, managing, and distributing highly detailed images for network and print applications. Live Picture offers several viewing options, including its patent-pending Universal Viewing technology, which requires no special client software, as well as Java applets and plug-ins for advanced viewing and high-resolution printing. With Live Pictures servers, images download quickly, even over typical modem connections, because they're based on Flashpix and the Internet Imaging Protocol (IIP); open standards invented by Live Picture to rapidly stream images, regardless of size.
- **Ulead Systems, Inc.** – Ulead Systems was founded in 1989 to develop and market Windows-based imaging and video production tools that empower people to share their ideas and memories more easily and creatively. Their mission is to provide easier, faster and superior imaging, video, 3D and Internet software for business and personal communications. Ulead products serve millions of users worldwide and have won extensive industry recognition.

Company	Full Screen	Singe Image Zoom	Image Distortion	Pixelation Upon Zoom	Panning Ability
Bamboo	Yes	Yes	Yes	Yes	Up, Dn, Lt, Rt
IPIX	No	Yes	Yes	Yes	Lt, Rt
MGI Software	No	Yes	Yes	Yes	Up, Dn, Lt, Rt
Ulead	No	No	Yes	Yes	Up, Dn, Lt, Rt
iviewit.com	Yes	Yes	No	No	Up, Dn, Lt, Rt

Table 2.0 – Imaging Competitor Analysis

Timeline

Date	Milestone
First Quarter 2000	Close the Next Tranche of Financing
	Secure Content for Launch of iviewit.com
	Begin Viral Marketing Campaign of iviewit.com
February – April, 2000	Hire Additional Key Executives and Staff
April 15, 2000	Official Marketing Campaign Begins
	Sales & Marketing Team Approaching Potential Clients
May 15, 2000	Official Launch of iviewit.com
?	Close the Next Tranche of Financing
Mid - Late 2001	Exit Strategies May Include: IPO, Partnering with Another Company, Spin-off of Technology Application and/or Create Multiple Companies for Different Markets

Tranche

Financial Analysis

(Need to update the financials to reflect Imaging and Video Streaming revenues, as well as direct expenses.)

Financial Highlights

Based on the revenue and expense assumptions described in the following two sections, the net margin for Year Two is approximately 40% and break-even occurs by the 10th month of Year One.

iviewit.com plans to make an Initial Public Offering by the end of Year 2001. The monthly projected net income by the time of the Offering will be approximately \$2 million. iviewit.com will require financing of approximately \$20 million to carry it to IPO. The primary use of funds will be to secure a first-class management team to quickly grow the company.

Revenue Assumptions

(Still need market penetration numbers)

Expenses Assumptions

(Brian: I need to better understand the direct costs for the video processing and the image processing)

The majority of SG&A expenses are for salaries and marketing. The monthly salary expense in Year One is approximately \$360,000 and the monthly marketing expense is \$250,000. iviewit.com has assumed that these amounts will increase by 10% in Year Two. The other major expenditure is in the amount of \$XX million for the i.m.Nomad mini-series to launch iviewit.com's technology.

Attachment A – Financial Statements



"Iviewit Financial
Projections 1.1.xls"

Attachment B – iviewit.com’s Advisory Board, Legal Counsel and Consultants

Advisory Board

- **Don G. Kane** - Don Kane is President of GDI, a privately held holding company that controls 4 business-to-business Internet companies. Prior to joining GDI, Don was a Managing Director in the Investment Banking Division of Goldman Sachs & Co. During his fourteen-year career at Goldman Sachs, Don created the firm's Midwest Financial Institutions practice and founded a Global Financial Institutions Technology Group. Don is a Board member and Vice Chairman of Sagence Systems, Inc., a GDI company and is a member of the Board of Versifi, Inc. and Ergo Systems. Don is an advisor to Signcast, Inc., Gryphon Holdings and Capita Technologies. He is a member of the Kellogg Graduate School of Management Advisory Board at Northwestern University and is a member of the Board of the Metropolitan YMCA of Chicago.

- **Alan Epstein** –

Legal Counsel

- **Christopher C. Wheeler** –
- **Kenneth Rubenstein** – Ken is a partner at Proskauer Rose LLP law firm and is the patent attorney for iviewit.com. He is a registered patent attorney before the U.S. Patent & Trademark Office. Ken counsels his clients with respect to the validity and infringement of competitors' patents, as well as prosecutes patent applications. For the past several years Ken has worked on the formation of a patent pool, for MPEG-2 technology, involving large consumer electronics and entertainment companies. Ken is also a former member of the legal staff at Bell Laboratories. Ken received his law degree, cum laude, from New York Law School. and his Ph.D. in physics from the Massachusetts Institute of Technology where he also graduated with a B.S. Degree.
- **Ray Joao** – Ray heads Meltzer, Lippe’s Intellectual Property Rights, Patents, Copyrights and Trademarks Group. He specializes in intellectual property law, including patents, trademarks and copyrights, as well as technology transfers. He has extensive experience in patent prosecution, licensing and litigation in the fields of computer software and hardware, communication networks, electronics, the Internet, financial modeling and mechanical devices. Ray is adept at dealing with high technology companies and other companies looking to patent not only their physical inventions but new business methods as well.

Consultants

- **Danny Socolof** – Mr. Socolof is the founder and CEO of the Marketing Entertainment Group of America, Inc., an entertainment production and marketing

company. Mr. Socolof has created national branding events and campaigns for the world's largest and most important intellectual property owners including MTV, Pepsi, Nintendo, Proctor and Gamble, SC Johnson, Anheuser-Busch, Apple Computers, Philips Electronics and many other top tier entertainment and global consumer products organizations.

- **Mike McGinley** – Mr. McGinley is the founder of SRO Consultants, a Los Angeles based international consulting firm that provides a wide range of business and management services for the entertainment and music industry. SRO Consultants provides strategic consulting and marketing/cross promotions to industry leaders such as Microsoft, DirecTV, Best Buy, InterVU and Music Choice. Additionally, SRO handles tour accounting for more than 100 major clients including Sting, Neil Young, the Rolling Stones and Tom Petty. Mr. McGinley is a Certified Public Accountant who received his B.A. in business administration from the University of Montana.
- **Eric Chen** - Mr. Chen has spend much of his career in the field of investment banking where he has specialized in advising, financing and guiding the growth strategies of many health care companies. His areas of expertise include biotechnology, medical diagnostics, and new emerging drug technology and delivery systems. He has served as an analyst, Senior Vice President and Managing Director for several Wall Street firms including Furman Selz, Hambrecht & Quist, Fechter Detwiler and Southeast Research Partners. Much of his activities have focused upon early stage growth companies in both the public and private sectors. He has analyzed companies in a wide variety of industries, which include vision care, telecommunications, computer storage, software applications and data management. Mr. Chen is the President of Emerald Capital Partners, which he co-founded with Mr. Buchsbaum, since his departure from Southeast Research Partners in early 1999.

Attachment C – Potential Markets for iviewit.com’s Video & Imaging Technology

Market	Video	Image
3D Graphics		X
Advertising	X	X
Art		X
Automotive *	X	X
Commercial Properties	X	X
Computer Games	X	X
Entertainment	X	X
Executive Search, Modeling, Casting & Dating Services *	X	X
Health Care *	X	X
High value Auctions	X	X
High-end Luxury (e.g. Boats & Airplanes)	X	X
Hotels & Resorts	X	X
Image Libraries		X
Medical Imaging	X	X
Military & Government	X	X
Residential Properties	X	X
Software applications	X	
Sports	X	X

* iviewit.com is actively pursuing these markets

ATTACHMENT A

Iviewit.com LLC Summary Pro Forma

	FY1	FY2
REVENUE		
Vidco Streaming	\$ -	\$ -
Imaging	\$ -	\$ -
Total Revenue	\$ -	\$ -
DIRECTV EXPENSES		
Vidco Streaming	\$ -	\$ -
Imaging	\$ -	\$ -
Total Direct Expenses	\$ -	\$ -
Gross Margin	\$ -	\$ -
SG&A EXPENSES		
Salaries	\$ 4,358,000	\$ 4,793,800
Benefits & Payroll Taxes	\$ 653,700	\$ 719,070
Rent	\$ 360,000	\$ 360,000
Marketing Expense	\$ 3,000,000	\$ 3,300,000
Marketing Launch Expense	\$ 3,000,000	\$ -
Travel / Entertainment	\$ 780,000	\$ 858,000
Consultants	\$ 480,000	\$ 528,000
Equipment Maintenance / TI		
Lines / Web Hosting	\$ 240,000	\$ 264,000
Office Overhead	\$ 180,000	\$ 198,000
E&O Liability Insurance	\$ 96,000	\$ 105,600
Miscellaneous	\$ 60,000	\$ 66,000
Total SG&A	\$ 13,207,700	\$ 11,192,470
Earnings Before Taxes	\$ (13,207,700)	\$(11,192,470)
Income Tax Expense	\$ (5,283,080)	\$ (4,476,988)
Net Income	\$ (7,924,620)	\$ (6,715,482)
Net Margin	N/A	N/A

ATTACHMENT A

**Iviewit.com LLC
Detailed Analysis of Pro Forma Income Statements - Year One**

Month	1	2	3	4	5	6	7	8	9	10	11	12	Total	
REVENUE														
Video Streaming	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Imaging	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
DIRECTV EXPENSES														
Video Streaming	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Imaging	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Direct Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Gross Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
SG&A EXPENSES														
Salaries	\$ 363,167	\$ 363,167	\$ 363,167	\$ 363,167	\$ 363,167	\$ 363,167	\$ 363,167	\$ 363,167	\$ 363,167	\$ 363,167	\$ 363,167	\$ 363,167	\$ 4,358,000	
Benefits & Payroll Taxes	\$ 54,475	\$ 54,475	\$ 54,475	\$ 54,475	\$ 54,475	\$ 54,475	\$ 54,475	\$ 54,475	\$ 54,475	\$ 54,475	\$ 54,475	\$ 54,475	\$ 653,700	
Rent	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 360,000	
Marketing Expense	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 3,000,000	
Marketing Launch Expense	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000	
Travel / Entertainment	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 780,000	
Consultants	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 480,000	
Equipment Maintenance / IT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Lines / Web Hosting	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 240,000	
Office Overhead	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 180,000	
E&O Liability Insurance	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 96,000	
Miscellaneous	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 60,000	
Total SG&A	\$ 3,850,642	\$ 850,642	\$ 850,642	\$ 850,642	\$ 850,642	\$ 850,642	\$ 850,642	\$ 850,642	\$ 850,642	\$ 850,642	\$ 850,642	\$ 850,642	\$ 13,207,700	
Earnings Before Taxes	\$ (3,850,642)	\$ (850,642)	\$ (850,642)	\$ (850,642)	\$ (850,642)	\$ (850,642)	\$ (850,642)	\$ (850,642)	\$ (850,642)	\$ (850,642)	\$ (850,642)	\$ (850,642)	\$ (13,207,700)	
Income Tax Expense	\$ (1,540,257)	\$ (340,257)	\$ (340,257)	\$ (340,257)	\$ (340,257)	\$ (340,257)	\$ (340,257)	\$ (340,257)	\$ (340,257)	\$ (340,257)	\$ (340,257)	\$ (340,257)	\$ (5,283,080)	
Net Income	\$ (2,310,385)	\$ (510,385)	\$ (510,385)	\$ (510,385)	\$ (510,385)	\$ (510,385)	\$ (510,385)	\$ (510,385)	\$ (510,385)	\$ (510,385)	\$ (510,385)	\$ (510,385)	\$ (7,924,620)	
Net Margin	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

ATTACHMENT A

Ivewit.com LLC
Detailed Analysis of Pro Forma Income Statements - Year Two

Month	1	2	3	4	5	6	7	8	9	10	11	12	Total	
REVENUE														
Video Streaming														\$ -
Imaging														\$ -
Total Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DIRECTV EXPENSES														
Video Streaming														\$ -
Imaging														\$ -
Total Direct Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SG&A EXPENSES														
Salaries	\$ 399,483	\$ 399,483	\$ 399,483	\$ 399,483	\$ 399,483	\$ 399,483	\$ 399,483	\$ 399,483	\$ 399,483	\$ 399,483	\$ 399,483	\$ 399,483	\$ 399,483	\$ 4,793,800
Benefits & Payroll Taxes	\$ 59,923	\$ 59,923	\$ 59,923	\$ 59,923	\$ 59,923	\$ 59,923	\$ 59,923	\$ 59,923	\$ 59,923	\$ 59,923	\$ 59,923	\$ 59,923	\$ 59,923	\$ 719,070
Rent	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 360,000
Marketing Expense	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 3,300,000
Marketing Launch Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel / Entertainment	\$ 71,500	\$ 71,500	\$ 71,500	\$ 71,500	\$ 71,500	\$ 71,500	\$ 71,500	\$ 71,500	\$ 71,500	\$ 71,500	\$ 71,500	\$ 71,500	\$ 71,500	\$ 858,000
Consultants	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000	\$ 528,000
Equipment Maintenance / TI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lines / Web Hosting	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 264,000
Office Overhead	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 198,000
E&O Liability Insurance	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 105,600
Miscellaneous	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 66,000
Total SG&A	\$ 932,706	\$ 932,706	\$ 932,706	\$ 932,706	\$ 932,706	\$ 932,706	\$ 932,706	\$ 932,706	\$ 932,706	\$ 932,706	\$ 932,706	\$ 932,706	\$ 932,706	\$ 11,192,470
Earnings Before Taxes	\$ (932,706)	\$ (932,706)	\$ (932,706)	\$ (932,706)	\$ (932,706)	\$ (932,706)	\$ (932,706)	\$ (932,706)	\$ (932,706)	\$ (932,706)	\$ (932,706)	\$ (932,706)	\$ (932,706)	\$ (11,192,470)
Income Tax Expense	\$ (373,082)	\$ (373,082)	\$ (373,082)	\$ (373,082)	\$ (373,082)	\$ (373,082)	\$ (373,082)	\$ (373,082)	\$ (373,082)	\$ (373,082)	\$ (373,082)	\$ (373,082)	\$ (373,082)	\$ (4,476,988)
Net Income	\$ (559,624)	\$ (559,624)	\$ (559,624)	\$ (559,624)	\$ (559,624)	\$ (559,624)	\$ (559,624)	\$ (559,624)	\$ (559,624)	\$ (559,624)	\$ (559,624)	\$ (559,624)	\$ (559,624)	\$ (6,715,482)
Net Margin	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

ATTACHMENT A

**Viewit.com LLC
Revenue and Direct Expense Model - Year One**

Month	1	2	3	4	5	6	7	8	9	10	11	12	Total
Video Streaming													
Video/Image Master Server													\$ -
Video/Image Master - Addtl Server													\$ -
Video/Image Master + 10 Addtl Servers													\$ -
Video Processing													\$ -
Video Hosting													\$ -
Serving Fee													\$ -
Total Video Streaming	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Imaging													
Image Only Master Server													\$ -
Additional Distributed Server													\$ -
Image Capture, Processing & Hosting													\$ -
Monthly Charge Based on Hits on Site													\$ -
Total Imaging	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ATTACHMENT A

Iviewit.com LLC Assumptions

<u>Revenue Assumptions</u>	<u>Fee Yr 1</u>	<u>Fee Yr 2</u>	<u>Qty Yr. 1</u>	<u>Qty Yr. 2</u>	<u>Direct Expense</u>
<i>Video Streaming</i>					
Video and Image Master Server	\$ 25,000	\$ 22,500			
1st Distributed Server	\$ 12,000	\$ 10,800			
Additional Distributed Servers	\$ 8,000	\$ 7,200			
Average Number of Additional Distributed Servers	10	10			
Video Processing per Minute	\$ 4.75	\$ 4.75			
Video Processing per Minute with Frame Touch-ups					
Video Hosting per GB/month	\$ 12	\$ 12			
Serving Fee per GB/month	\$ 35	\$ 35			
Average Number of GB for Video Hosting/Serving Fee		-			
<i>Imaging</i>					
Image Only Master Servier	\$ 1,800	\$ 1,620			
Distributed Server	\$ 800	\$ 720			
Image Capture, Processing & Hosting					
Single Shot	\$ 68	\$ 68			
Quarter Pan and Zoom	\$ 225	\$ 225			
Half Pan and Zoom	\$ 435	\$ 435			
Three quarter Pan and Zoom	\$ 655	\$ 655			
Full Pan and Zoom	\$ 855	\$ 855			
Monthly Charge Based on Hits on Site					
1 - 4999 Hits; Rate per Hit	\$ 0.10	\$ 0.10			
5000 - 9999 Hits; Rate per Hit	\$ 0.07	\$ 0.07			
10000 - 24999 Hits; Rate per Hit	\$ 0.05	\$ 0.05			
25000 + Hits; Rate per Hit	\$ 0.03	\$ 0.03			
<u>SG&A Expenses</u>	<u>Monthly Yr. 1</u>	<u>Other</u>	<u>Inc/Amt Yr. 2</u>		
Salaries	\$ 363,167		\$ 399,483		
Salary Increase				10%	
Benefits and Payroll Taxes (% of Salary)		15%			
Rent (18,000 sq ft @ \$1.67 per sq ft)	\$ 30,000			0%	
Marketing Expense	\$ 250,000			10%	
Marketing Launch Expense		\$ 3,000,000			
Travel / Entertainment	\$ 65,000			10%	
Consultants	\$ 40,000			10%	
Equipment Maintenance / T1 Lines / Web Hosting	\$ 20,000			10%	
Office Overhead	\$ 15,000			10%	
F&O Liability Insurance	\$ 8,000			10%	
Miscellaneous	\$ 5,000			10%	
<u>Income Tax Rate</u>	40%				

ATTACHMENT A

Iviewit.com LLC Salary Projections

Position	Year 1			Year 2		
	No.	Salary	Total Amt	No.	Salary	Total Amt
CEO/GM	1	\$ 250,000	\$ 250,000	1	\$ 275,000	\$ 275,000
Founder	1	\$ 200,000	\$ 200,000	1	\$ 220,000	\$ 220,000
CFO	1	\$ 135,000	\$ 135,000	1	\$ 148,500	\$ 148,500
CTO	1	\$ 120,000	\$ 120,000	1	\$ 132,000	\$ 132,000
EVP Sales & Marketing - Video	1	\$ 250,000	\$ 250,000	1	\$ 275,000	\$ 275,000
VP Sales & Marketing - Imaging	1	\$ 140,000	\$ 140,000	1	\$ 154,000	\$ 154,000
In-house Counsel	1	\$ 125,000	\$ 125,000	1	\$ 137,500	\$ 137,500
Controller	1	\$ 65,000	\$ 65,000	1	\$ 71,500	\$ 71,500
IT Specialists	2	\$ 70,000	\$ 140,000	2	\$ 77,000	\$ 154,000
Directors of Marketing	2	\$ 125,000	\$ 250,000	2	\$ 137,500	\$ 275,000
Salespeople - Video	6	\$ 165,000	\$ 990,000	6	\$ 181,500	\$ 1,089,000
Salespeople - Imaging	6	\$ 100,000	\$ 600,000	6	\$ 110,000	\$ 660,000
Director of Production	1	\$ 65,000	\$ 65,000	1	\$ 71,500	\$ 71,500
Webmaster	1	\$ 70,000	\$ 70,000	1	\$ 77,000	\$ 77,000
Network Admin / Site Developers	2	\$ 45,000	\$ 90,000	2	\$ 49,500	\$ 99,000
Production & Account Managers - Video	6	\$ 40,000	\$ 240,000	6	\$ 44,000	\$ 264,000
Production & Account Managers - Imaging	4	\$ 40,000	\$ 160,000	4	\$ 44,000	\$ 176,000
HR / Office Manager	1	\$ 50,000	\$ 50,000	1	\$ 55,000	\$ 55,000
Legal Assistant	1	\$ 40,000	\$ 40,000	1	\$ 44,000	\$ 44,000
Administrative Assistants	12	\$ 30,000	\$ 360,000	12	\$ 33,000	\$ 396,000
Receptionists	1	\$ 18,000	\$ 18,000	1	\$ 19,800	\$ 19,800
Annual Total	53		\$ 4,358,000	53		\$ 4,793,800
Monthly Total			\$ 363,167			\$ 399,483
Annual Increase in Salary					10%	

Epstein, Alan

From: Kathy Yeung [kathyyeung@sroconsultants.com]
Sent: Tuesday, February 01, 2000 12:50 PM
To: utley_b@bellsouth.net; alps@netline.net; aepstein@ahjtw.com; heather@megalv.com; meganyc@aol.com
Subject: Business Plan Version 1.8

Viewit Business Plan

Version ... I have incorporated all of the edits we discussed yesterday, as well as updated the financials. Feel free to call me at home, 310-260-0124, if you have any questions.

I will talk to all of you at 3:00 PST.

Best,
Kathy

to: financial
business plan



*A Leader in New Visual Technologies for Tomorrow's
Markets*

Business Plan

Contact Information:

Brian G. Utley, President & COO

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Boca Raton, Florida 33431

561-999-8899 ext. 304

brian@iviewit.com

Confidentiality Statement

This business plan and the exhibits hereto (collectively, the “Plan”) have been submitted on a confidential basis for use by a limited number of sophisticated investors or acquirers (the “Investor(s)”) solely for, and should be used only in connection with, an Investor’s consideration of an investment in iviewit.com, Inc., (the “Company”). Its use for any other purpose is not authorized. Any reproduction or distribution of the Plan, or re-transmittal of its contents, in whole or in part, without the prior written consent of the Company is prohibited.

This Plan contains certain information of a highly confidential nature, including projections by the Company’s management of the Company’s performance and other material of a forward-looking nature. The receipt of this Plan constitutes an agreement on the part of the recipient hereof to maintain the confidentiality of the information contained herein or any additional information subsequently delivered in connection herewith. Investors who accept this Plan or become aware of the information contained herein must understand and comply with the extensive restrictions imposed by Federal and State securities laws upon their ability to disclose information contained herein to others or to participate in or otherwise effect or facilitate any transaction relating to any securities of the Company. Investors who cannot comply fully with such restrictions should not review the information contained herein and should immediately return this Plan to the Company.

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Executive Summary

Company

iviewit.com is engaged in the application of new visual technologies for the use of consumers to make their experience over the Internet dynamic and real. iviewit.com's mission is

- to license its video streaming and imaging technologies,
- to develop new markets and applications, and
- to build a platform for visual technologies.

iviewit.com believes that there is a virtually unlimited growth opportunity for its proprietary visual Internet media. Once it has secured funding, iviewit.com will focus on aggressively licensing and producing its video streaming and imaging technologies to establish a branded leadership position for enhancing images viewed over the Internet.

iviewit.com Enabling Technologies

iviewit.com has developed two complimentary technologies to enhance images delivered over the Internet. The first is a state-of-the-art, proprietary technology, enabling full screen, high quality streaming video to be viewed by any internet video player with increased quality and reduced file size. Broadband and modem users can see the streaming video with no appreciable download time required. The second digital imaging technology creates an opportunity for full screen still images and panoramas that can be magnified with minimal image distortion. iviewit.com has protected its enabling technologies by filing and securing eight provisional patent pending applications for its video streaming and imaging technologies.

Benefits of iviewit.com's Enabling Technologies

The benefits of iviewit.com's enabling technologies are as follows:

- it will enhance the image quality of any video content streamed over the Internet regardless of which player is used to view the video
- it will enhance the ability to view still images on the Internet by allowing for incredible zoom and panning by the user
- it will reduce the cost of serving the file for the host sites

Products and Services Offered

iviewit.com intends to create a profitable, recurring stream of income by licensing the following products and performing the following services:

- Site Licensing for the Distribution of Product Processed by iviewit.com. Each site distributing iviewit.com visual media product must license the technologies. The licensing fee will be collected up front as an annual fee and there may be additional royalties due within each annual licensing period for expanded use of the product.
- Image and Video Processing. There is an option between basic processing or edited content processing for a higher quality output. Priority and standard time processing is provided. Priority processing guarantees a next day delivery via file transfer

protocol to the customer or iviewit.com site. Standard delivery is within 5 working days.

- Web Hosting of Image and Video Content, Linked to a Client's Site. iviewit.com will offer hosting services through its strategic alliance with MPI.net and others as required. This service is provided for content owners who do not have the server capacity to store or stream their content. This is an extension of the current web site. Seamless linking is a well-established Internet technique and has been validated by iviewit.com testing with prospective customers.
- Photographic or Video Recording Services. iviewit.com has retained the services of a large number of professional videographers in order to handle customer requirements.
- Web Site Creation and Hosting. Professional designer support is available through iviewit.com's subcontract with Real 3D and other web site specialists. This service is supplemental to iviewit.com's core business.

Market Penetration Strategy & Launch

iviewit.com has secured license agreements with Hyatt Hotel & Resorts, Great Expectations Dating Service and Kids Camps. In addition, iviewit.com is currently negotiating with major corporations such as @merican enterprise.com, 3Com, Playboy, Hollywood.com, Broadway.com, University of Florida, and CBS Sportsline.com. The response to the technologies and licensing cost has been very positive. While iviewit.com's enabling technologies are applicable across a wide spectrum of Business to Business (b2b) and Business to Consumer (b2c) Internet sites, iviewit.com will concentrate its early initiatives in the following areas: Advertising, Entertainment, Health Care, Hotel and Resorts, Luxury Items, Executive Search, Sports, Modeling, and Dating Services.

iviewit.com plans to highlight its video streaming enabling technologies with high profile sites and events. Current negotiations include opportunities with CBS Sportsline.com, Broadway.com and an Internet event called i.m. Nomad. The i.m. Nomad event is an Internet mini-series consisting of 15 four-minute episodes starring internationally renowned supermodels Heidi Klum, Estella Warren and Rachel Roberts.

Management Team

iviewit.com has a strong, well-experienced and diversified management team, Board of Directors, Advisory Board and Consultants. The initial key management team includes a President and COO, a CTO and a VP of Sales and Marketing. This team has extensive experience in technology, management and financial services. The Board of Directors and Advisory Board is equally well experienced with backgrounds in running large corporations, developing technologies, dealing with patent and business legal issues, financing start-up companies and preparing companies for an IPO.

Strategic Alliances with Real 3D

iviewit.com has signed a strategic partnership with Real 3D, the premier supplier of 3D graphics technology in the world, holder of more than 40 patents in 3D visualization technology and strategically partnered with Lockheed Martin, Silicon Graphics and Intel.

Real 3D is providing hosting, serving and technology enhancement services to iviewit.com.

Financial Summary

iviewit.com is seeking \$XX million in capital to expand its current operations. The funds will be used to expand the current management team and staff, promote and market the technologies, and support iviewit.com until its expected break-even in 20 months. Once break-even occurs, iviewit.com rapidly begins generating strong cash flow and gross margins topping fifty percent. At the end of FY Two, iviewit.com is projected to be licensing and supplying its video streaming technologies to over 200 customers and its imaging technologies to over 300 customers. Within two years, revenues are expected to achieve a rate of \$19 million per annum and a net margin of 33%.

Potential exit strategies for iviewit.com may include any one, or a combination, of the following activities: IPO, Partner with Another Company, Spin-off Technologies Application and/or Create Multiple Companies for Different Markets.

Company

Company Background

iviewit.com, Inc., located in Boca Raton, Florida, was formed in 1999 under the laws of the state of Delaware. iviewit.com was formed to research, develop, license and sell Internet based visualization products and services to the vast growing e-commerce market. iviewit.com has developed state-of-the-art proprietary technologies enabling full screen, TV quality streaming video and digital imaging for the Internet. The streaming video can be seen by both broadband and modem users with no download time required. The digital imaging allows for full screen still images or panoramas that can be magnified with minimal image distortion. iviewit.com has protected its technologies by filing and securing eight provisional patent pending applications for its video streaming and imaging technologies. (Please see the section titled "Proprietary Technologies and Patents Pending" under the Product Description for more details).

Seed funding for iviewit.com was received in September '99 from Huizenga Holdings, Inc. Huizenga Holdings is controlled by Wayne Huizenga, a successful industrialist best known for starting Blockbuster Video and owning major sports teams such as the NFL Miami Dolphins and NHL Florida Panthers. This seed funding allowed iviewit.com to start operations in its current location in October. Since that time iviewit.com has established a demonstration web site, initiated digital imaging production through a sub contract with Strategic Partner Real 3D, continued development of the iviewit.com video process and hired an initial sales staff. iviewit.com has refined its technologies for commercial exploitation and early sales contacts and contracts have confirmed the commercial value of iviewit.com's technologies. iviewit.com is now seeking financing to realize the potential of its products and technologies.

iviewit.com was initially formed as a limited liability company. For various business reasons, the Board authorized the conversion of iviewit.com into a 'C' corporation. This was accomplished on December 29, 1999.

Key Management

- **Brian Utley, President and Chief Operating Officer** - Mr. Utley has been involved in the computer industry since 1955, 37 years of which were with IBM. He has been in senior management and executive positions since 1965 culminating in his responsibility as Vice President and General Manager of IBM Boca Raton with a population of over 6,000 professionals. During his career he has been responsible for advanced technology product development on many fronts. In addition he was responsible for a number of IBM's overseas activities including product development, product management and market development. The most notable of which was the introduction of the IBM PC to Europe. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results.

- **Eliot I. Bernstein, Founder and Chief Technology Officer** - Mr. Bernstein, a graduate of University of Wisconsin in psychology with a minor in computer science, spent 15 years in a highly successful insurance career during which he created many innovative and effective computer based, multimedia marketing tools. These products remain in use today to service over \$1 billion of insurance business. In 1998, like many entrepreneurs, Eliot chose to risk everything to pursue his dream of creating high impact visual applications for the Internet and iviewit.com was born. He combined his passion for photography and video with a burning desire to see the Internet evolve from a text-based medium to a visual tool. As Chief Technology Officer Eliot oversees the development of all aspects of iviewit.com's imaging and video technologies. As the inventor behind the patents now in process at the US Patent Office Eliot continues to play a key role in the development of visualization technologies and is committed to insuring that iviewit.com maintains its leadership position in the industry.
- **Jim Armstrong, VP of Sales and Marketing** – Mr. Armstrong has owned and operated The Armstrong Group, Ltd. since 1982, and still receives ongoing royalties from the business. The Armstrong Group is a financial planning, insurance consulting and sales firm targeting the corporate executive and high net-worth markets. Jim also worked for Prudential Securities as the National Sales Manager for its Primary Client Services and Life Agency Divisions. In the Primary Client Services Division, Jim directed the sales effort for the company's retirement products, financial planning capabilities and central asset account. In the Life Agency Division, Jim was responsible for building the infrastructure for this start-up venture. He developed marketing materials, formulated policies and procedures, and recruited and supervised a national network of planning specialists.

Although the current key management team's vast experience is a tremendous asset, iviewit.com understands that it needs to assemble a more diversified, highly qualified management team. Once funding is secure, iviewit.com intends to fill the following additional key positions within 60 days:

- Chief Executive Officer
- Chief Financial Officer
- EVP of Sales & Marketing
- VP of Licensing

Board of Directors

- **Brian G. Utley, President & COO**
- **Eliot I. Bernstein, Founder & CTO**
- **Simon L. Bernstein, Chairman of the Board** - Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over \$800 million in life premium sales. Mr. Bernstein's career in the life insurance industry began in

1965 when he became the top producer for Aetna Life and Casualty Company. He has remained in the top 5% of life insurance sales agencies since that time. Mr. Bernstein supplied the initial “angel” investment for iviewit.com

- **Gerald R. Lewin, Director** - Gerald Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. In 1981, Mr. Lewin joined Donald Goldstein to form Goldstein Lewin & Co., which currently is a leading 30 man southeastern accounting firm. Mr. Lewin specializes in business consulting and is highly knowledgeable in many areas of accounting, tax and financial planning. Mr. Lewin is a member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.
- **Maurice R. Buchsbaum, Director** – Mr. Buchsbaum has engaged in corporate finance projects as a principal, advisor, consultant, officer, director or senior managing director for the past 27 years. As a partner or senior officer of several leading investment banks (including Drexel Burnham, Kidder Peabody and JW Genesis), he has worked in all aspects of corporate finance. He formed Emerald Capital Partners in early 1999, to provide strategic planning and banking advice to a myriad of small and medium sized American growth companies. He has engaged in numerous public and private transactions and activities that include seed capital, early stage financing, major and late stage strategic finance, restructuring and mergers/acquisitions ranging in size from \$1 million to \$700 million. His industry experience includes health care, technology, telecommunications, biotechnology, financial services, environmental, and airlines. He holds BS and MBA degrees with honors from Ohio State University, and was a fellow in the doctoral program at Northwestern University.

Strategic Partners & Investors

- **Real 3D®, Inc.** – iviewit.com is currently engaged in a strategic partnership with Real 3D, a well-respected technology company that is owned by Lockheed Martin, Silicon Graphics Inc. and Intel, who is providing hosting, serving and technology enhancement services. Real 3D has participated in the technology evaluation phase of iviewit.com's proprietary Imaging and Video Streaming products. Real 3D has found iviewit.com's web-based products to offer an extraordinary high-resolution panoramic view capability that can have many uses in the e-commerce arena.
- **Huizenga Holdings, Inc.** - Huizenga Holdings Inc. through Investech Holdings, LLC is the founding equity partner of iviewit.com. Huizenga Holdings Inc. brings a strategic portfolio of Internet investments and businesses, which has helped fuel the expansion of iviewit.com's video and imaging technologies. Huizenga Holdings is controlled by Wayne Huizenga, a successful industrialist best known for starting Blockbuster Video and owning major sports teams such as the NFL Miami Dolphins and NHL Florida Panthers.

iviewit.com also has an Advisory Board, Legal Counsel and Business Consultants who bring an extensive knowledge base, business connections and experience to the development of iviewit.com. Please see “Attachment B – iviewit.com’s Advisory Board, Legal Counsel and Consultants” for more details.

Industry Analysis

Broadband Industry

The transmission of data intensive content over the Internet has been limited due to historical bandwidth constraints. However, the increasing availability of improved delivery systems, such as digital cable modems, T-1 lines, satellite delivery systems and

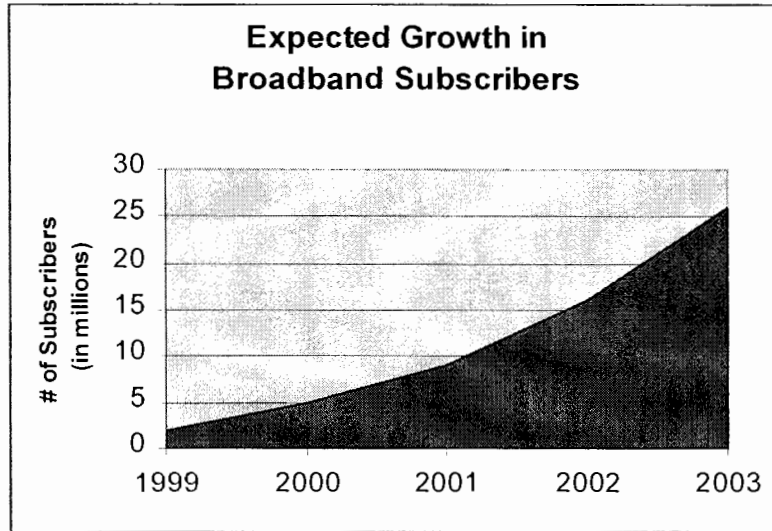


Chart 1.0 – Forrester Research and Broadband Intelligence

(serviced by phone companies) will nearly triple to 1.4M in 2000 from 500,000 in 1999.¹ And the total number of broadband subscribers by the end of Year 2002 and 2003 is expected to be 16 million and 26 million, respectively.²

The broadband industry is drawing billions of dollars in capital investments to develop the necessary infrastructure for broadband content and delivery. The cable companies are massively marketing this existing user base to include broadband access. Similarly, the telephone companies are upgrading their lines to offer DSL access. In addition, major hardware manufacturing companies, application developers and content providers are racing to be the de facto standard for broadband delivery.

Streaming Media Industry

Multimedia streaming technology is bringing new levels of versatility, quality and simplicity to the creation and distribution of multimedia content over the Web. One measure of the growth in use of streaming media is the number of registered users posted by RealNetworks, a company that develops software used by broadcasters to stream multi-media content over the Internet. The first RealPlayer was released in 1995, and to

¹ Broadband Intelligence July 1999

² Forrester Research

DSL networks are enabling the use of more feature-rich multimedia content. These broadband systems typically allow sustained data transfer to the user of at least 256 kilobits per second, or approximately 5 times the access speed of the fastest standard narrowband modems.

US cable modem subscribers are expected to increase to 3.3 M in 2000 (up from 1.6M in 1999). DSL customers

date over 80 million unique users have been registered. The RealPlayer download rate now exceeds 175,000 per day, an increase of more than 270% since the beginning of 1997.

The emergence of rich multimedia capabilities, such as streaming audio and video, will continue to enhance the effectiveness of the Web as a mass communications medium and Intranets as a means to improve corporate communications. Content delivered through traditional media, such as television and radio, will be increasingly delivered over the Internet.

Digital Imaging Industry

Fundamental changes are occurring in the photography industry with the introduction of the digital camera. The digital camera allows the user to take pictures and display them digitally, either on a personal computer or over the Internet, without the need for traditional film development. Because digital cameras were initially expensive, early adopters of this technology were Professionals and hobbyists. Recently, sales of digital cameras have grown substantially due to improved performance and lower unit prices. IDC forecasts that worldwide digital camera shipments will grow from 2.7 million units in 1997 to 29.5 million units in 2002.

Companies are increasingly using digital imaging to effectively promote their products on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat two-dimensional images offering a limited field of view. Technological innovations that enhance realism and interactivity and contribute to a viewer's retention to that web site will facilitate the success of e-commerce by leading to increased sales and advertising rates. Specifically, immersive imaging, or the ability to create the viewing perspective of being inside the image, is becoming increasingly popular with many web sites. However, image creation with many of the existing immersive technologies is labor intensive and requires proprietary hardware. Conditions such as inadequate lighting, subject motion or lack of portability reduce the effectiveness of the image. As a result, market acceptance of these technologies has been limited.

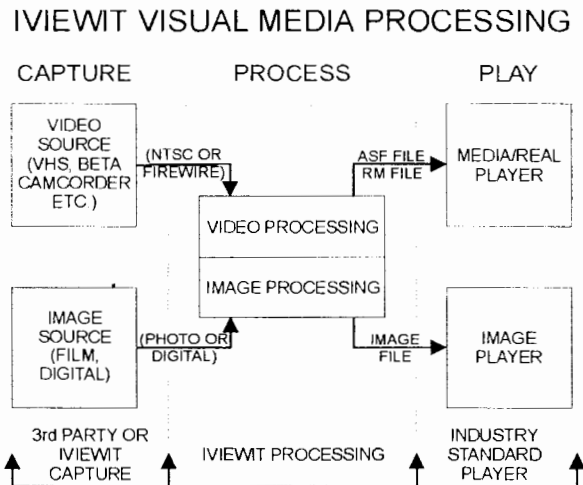
In order for widespread adoption of immersive imaging by businesses and consumers to occur, new immersive technologies must offer the following benefits:

- Ease of creating and viewing an image
- East of distributing and sharing the image
- Portability of the capture device
- Cost effectiveness
- Use of standardized technology
- Platform independence

Products & Services Description

Process

iviewit.com's impressive visual media products are the result of several years of development focused on the entire process of image/video delivery over the Internet. Care has been taken to be platform agnostic to preserve the broadest possible range of application. iviewit.com's suite of technology processes work across all industry platforms. Therefore, iviewit.com's process will enhance both Microsoft's media player and Real Network's players. The result is industry leadership products without requiring special downloads or equipment. iviewit.com processes are proprietary and protected as trade secrets and provisional patent pending applications filed with the U.S. patent office. While video and imaging are treated separately, it should be noted that they are complementary both from a process point of view and from a customer perspective. Many potential customers have both requirements such as the resort and hotel industry and the health care industry. iviewit.com views these products as an integral part of a sales portfolio.



Video Streaming

Streaming video is the most exciting form of content distribution over the Internet and has challenged the industry since the inception several years ago. Current processing techniques do not provide solutions for clear, full motion, full screen streaming video. iviewit.com has developed encoding solutions that do provide for full motion, full screen streaming video at speeds ranging from 125 Kbps and upward. These competitive advantages are at the core of iviewit.com's market opportunity.

Motion is a particular challenge because the image refresh process tends to produce highly distorted pictures. iviewit.com has succeeded in producing VHS quality video over broadband networks and significantly improved narrowband speed results. These results are obtained while minimizing the bandwidth required for the streaming video event.

Internet ready streaming digital files are produced from virtually any source creating NTSC (US) compatible or IEEE 1394 firewire interfaces. Other modality such as PAL or SECAM can be accommodated. The output digital files are MS Media Player or RealNetworks RealPlayer compatible. Individual files are produced for either modem or broadband use and designed to minimize the amount of bandwidth required to produce the highest possible quality image. iviewit.com's processing times range from 3X to 6X the playtime of the video depending upon the length of the video and the output file. The proprietary process is extendable to include video acquisition. Even though this phase is not a pre-requisite, improvements in final video quality are attainable by using iviewit.com's *total video process*.

Digital Imaging

iviewit.com offers a wide range of "over the web" high quality, full screen imaging technologies. Images processed by iviewit.com can be viewed with zoomable and panoramic images of up to 360 degrees. Images produced by iviewit.com's proprietary process are identical in quality regardless of speed on the end-user's Internet connection speed. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. Output file sizes typically range from 30KB to 400KB for a full 360-degree panorama. Source material may be conventional emulsion type film or digital. Special photographic techniques are employed to ensure the final quality of the process ("garbage in, garbage out"). Unlike conventional web-ready images which become severely distorted after magnification attempts of just 1-2 times, iviewit.com processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. Real 3D engineering teams have reviewed the imaging process and results, and the comment from their review was "superb" and "elegant".

These are the types of digital images that iviewit.com can create with its technologies:

- **Single shot** - A single photo frame. Used for simple flat scenes or objects with depth imaging.
- **Quarter Pan and Zoom** - Typically 3 photo frames stitched together to provide a wide perspective and up to a 90 degree camera sweep angle. Used for small rooms or wide objects.
- **Half Pan and Zoom** - Typically 6 photo frames stitched together to provide up to a 180 degree panoramic camera sweep angle. Useful for panning a room from the center of a wall.
- **Three quarter Pan and Zoom** - Typically 10 photo frames stitched together to provide up to a 270 degree panoramic camera sweep angle. Used for a wide panorama or a large room taken from a corner or offset from the center.
- **Full Pan and Zoom** - Typically 13 - 16 photo frames stitched together to provide up to a 360 degree panoramic camera sweep angle. Used for a full outside panorama or a large room from the center of the room.

Proprietary Technologies and Patents Pending

iviewit.com has an extensive portfolio of proprietary technologies in the fields of image and video data processing as well as proprietary technologies for network delivery

systems for delivering its proprietary image and video data and information from a network-based computer platform.

To date, iviewit.com currently holds eight patents pending in the fields of image and video processing, image and video file transmission over a communication network, and video data processing and transmission in a communication network. iviewit.com is aggressively seeking to procure patent protection in the United States and abroad for its patent pending technologies.

iviewit.com has adopted a two-prong approach to building an extensive patent portfolio. iviewit.com plans to continue aggressively developing and seeking patent protection for its own proprietary technologies. iviewit.com will further seek to improve upon existing technologies as these technologies come to the market. While patent pending status does not, in itself, guarantee that a patent will ultimately issue, or that an issued patent will not face a judicial challenge in the Courts or an administrative challenge in the U.S. Patent & Trademark Office, iviewit.com believes that the pending claims in its patent applications are well supported and will provide iviewit.com with broad patent protection. iviewit.com further believes that its proprietary technologies, and related trade secrets, provide it with a substantial competitive advantage.

Future Development

iviewit.com's goal is to maintain a leadership role in visual technologies and continued research and development will be employed to this end. iviewit.com's product output will stress user friendliness, superior picture quality and effective presentation for the experience by the end user.

Extensions of the current technologies are planned to provide similar improvements in videoconferencing. Early testing has validated the feasibility of these extensions and funding will provide the resource necessary to complete the development work. It is estimated that a product could be ready to market within 6 – 9 months from funding. Also, a TV interface adapter, which allows a PC monitor output to be connected to a TV set, is planned for future development. Using a TV this way further enhances the quality of the video since a TV set is optimized for displaying video images.

Products and Services Offered by iviewit.com

In order to provide its customers a full range of services to create and offer quality video and images over the Internet, iviewit.com offers the following products and services:

- ***Site Licensing for the Distribution of Product Processed by iviewit.com.*** Each site distributing iviewit.com visual media product must license the technologies. The licensing fee will be collected up front as an annual fee and there may be additional royalties due within each annual licensing period for expanded use of the product.
- ***Image and Video Processing.*** There is an option between basic processing or edited content processing for a higher quality output. Priority and standard time processing is provided. Priority processing guarantees a next day delivery via file transfer

protocol to the customer or iviewit.com site. Standard delivery is within 5 working days.

- ***Web Hosting of Image and Video Content, Linked to a Client's Site.*** This service will be for content owners who do not have the server capacity to store or stream their content and will not be applicable to all clients. This is an extension of the current web site. Seamless linking is a well-established Internet technique and has been validated by iviewit.com testing with prospective customers. Since this is not a core part of its business model, iviewit.com is investigating the option of hosting services through strategic alliances.
- ***Photographic or Video Recording Services.*** iviewit.com has retained the services of a large number of professional videographers in order to handle customer requirements.
- ***Web Site Creation and Hosting.*** Professional designer support is available through iviewit.com's subcontract with Real 3D and other web site specialists. This service is not expected to be a major part of iviewit.com's business.

Market Opportunity & Penetration Strategy

Market Opportunity for Video Streaming

Streaming media is now the most widely used application after browsers and online programs like AOL on the Internet... and it is growing exponentially. Microsoft's Media Player, RealNetworks suite of players and Apple's Quick-Time Player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, *on demand*.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies mentioned above. iviewit.com's suite of technologies will positively affect and benefit all of these parties.

- **End Consumers** – For consumers who have a broadband pipe in their homes, streaming video is the “killer application.” The promise of rich visual content defines the reason for paying between \$40 - \$50 per month for the increased bandwidth. It means that consumers can *see* the entertainment, news, product commercials, infomercials and education videos they want at near TV quality. That promise will be maximized by the proliferation of content delivered through and with iviewit.com. The companies responsible for providing the infrastructure for broadband recognize the importance of promoting enabling technologies and driving media rich content to the web. Their paradigm has shifted to include content creation as a significant element of their overall strategy. Greater availability of quality content on the web will increase demand for the pipes necessary to view it. Similarly, the popularity of software applications that “play” the content files will increase dramatically as iviewit.com's technologies will enhance any media player operating on a broadband network and provide video quality full screen streaming media.
- **Business to Business (b2b) E-Commerce Sites** - For b2b e-commerce sites, iviewit.com's technologies will provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product manuals through iviewit.com's proprietary system, business e-commerce sites can leverage their video and image investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality visual experiences. Licensing these b2b sites will be a primary market focus for iviewit.com's technologies.
- **Intellectual Property Owners** - For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues etc., iviewit.com's technologies means that video streaming can finally become a revenue source. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for the small screen, grainy content prevalent on the web today and the pipeline required for serving these files is

expensive. iviewit.com's technologies provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and reducing the digital stream size required to serve them. These solutions are at the core of iviewit.com's competitive market advantage.

- **Digital Distributors** - For digital video distribution companies, iviewit.com's technology efficiency is extremely attractive because it minimizes the required file size, and therefore will decrease the cost of business.

In summary, the market potential for iviewit.com's technologies is enormous. iviewit.com will engage in a high profile launch campaign designed to build awareness for its technologies with all the key market influencers and then concentrate on a licensing program to populate its technologies among b2b and b2c Internet sites.

Market Opportunity for Digital Imaging

Companies are increasingly using digital imaging to promote their products and present information on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat and two-dimensional offering a limited field of view. The alternative, immersive imaging (the ability to create the viewing perspective of being inside the image), is becoming increasingly popular with many web sites, but is still labor intensive, requires proprietary hardware and severely distorts the image after magnification of 1-2 times.

In contrast, iviewit.com's technologies allow for high quality, full screen imaging with zoomable and panoramic images of up to 360 degrees with very high levels of zoomability. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. iviewit.com processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. As a result, iviewit.com will offer higher quality technologies and lower image processing costs than its competitors.

Market Penetration

iviewit.com has already begun to sell its technologies to various corporations and is currently in negotiations with the following potential clients:

- | | |
|--------------------------------|--------------------------------------|
| • 2500 Partners | • Hollywood.com |
| • 3Com | • Hyatt Hotels & Resorts |
| • @merican enterprise.com | • Internet Entertainment Group, Inc. |
| • Armstrong Blum Manufacturing | • KidsCamp.com |
| • Atlas Entertainment | • Lovemate.com |
| • Boca Resort & Beach Club | • Machineweb.com |
| • Broadway.com | • Playboy |
| • Centrack | • Thehealthnetwork.com |
| • CBS Sportsline.com | • University of Florida |

- | | |
|---|--|
| <ul style="list-style-type: none"> • Divine Interventions • Ezlinksgolf.com • Great Expectations | <ul style="list-style-type: none"> • Versifi • Webcasts.com • West Palm Beach Lexus |
|---|--|

iviewit.com has identified various markets to target with its imaging and video streaming technologies. (Please see Attachment C titled “Potential Markets for iviewit.com’s Video & Imaging Technologies” for a list of target markets.) To date, iviewit.com has entered into licensing discussions with firms in Automotive, Health Care, Executive Search, Modeling, Casting and Dating Services industries.

Video streaming and still image enhancement are nascent markets and there are no benchmarks for pricing iviewit.com’s proprietary technology enhancements. Therefore, iviewit.com has based its licensing strategy and product penetration on the following information:

- iviewit.com’s contract negotiations with current clients
- iviewit.com’s understanding of what companies are willing to pay for these technologies, including the business economics of a given industry

iviewit.com has also based its pricing on the fact that there are currently no direct competitors to its technologies. However, as competition prevails and market conditions change, iviewit.com’s pricing will adjust accordingly.

iviewit.com realizes that the needs and budget for each customer and indeed across industries vary tremendously. In response to this, iviewit.com will need to specially craft a licensing contract with each customer. However, the following pricing strategy gives an overall projection of what customers on average will be charged for iviewit.com’s video streaming and imaging products and services.

Initial Market Introduction Strategy

iviewit.com has elected a two prong strategy to initially market its technologies. The first stage is to target high profile intellectual property owners and distributors, as clients, to encode their images and watermark those images with iviewit.com’s logo. Initial clients signed or in negotiation include CBS Sportsline, Hyatt Resorts & Hotels, Broadway.com and Playboy.com. The second stage will focus on acquiring the rights to encode marquee Internet Events, with world-renowned stars that will provide iviewit.com with significant public relations opportunities. Properties in negotiation include i.m. Nomad.com, a made for Internet miniseries starring supermodels Heidi Klum, Estella Warren and Rachel Roberts. Additional launch initiatives include opportunities with Billy Joel, CSNY and The Dixie Chicks.

Pricing Model - Video Streaming

iviewit.com will require an annual license to process a video source into an iviewit.com file to be streamed over the Internet. The licensing fee will depend on the number of distributed servers that the customer uses for its web site. The rationale behind this is that the license fee should be greater if the technologies are being used and exploited by a

larger number of users. And generally, web sites that have larger number of users require additional distributed servers. iviewit.com has decided to use distributed servers as a usage benchmark (instead of number of hits to the web site streaming the video) because of the ease in benchmarking the fee to clients.

iviewit.com will also charge a per minute fee for the processing of the video. Depending on the needs of the client, the processing of the video will vary greatly. For example, an advertising agency focused on optimizing 30 and 60 second spots will have vastly different requirements than a worldwide hotel chain with three to five minute infomercials on each property. Additionally, there are different levels of processing costs associated with the image quality required by the client. For a client that does not require frame by frame analysis to its video (i.e. a video segment on a local community college), the amount of labor to process the video is minimal and the cost will be approximately \$5 a minute to process. For clients who require editing for their video, iviewit.com will charge incremental fees priced to account for the time and labor involved.

Although not a core part of its business, iviewit.com will offer video hosting for those clients who need a complete video streaming solution. The monthly storage, database maintenance and serving fee will be based on the number of gigabytes hosted by iviewit.com. iviewit.com sees this pricing model as part of its overall plan to identify and “brand” itself as a total solution service-oriented business for its clients. iviewit.com will outsource this service with several partners accordingly to the scope and scale of the client requirements

The following outlines the approximate fees for licensing the technologies and video processing.

Video License Charges:	First year	Following years
Video and image master server	\$25,000	\$22,500
1st distributed server	\$5,000	\$4,500
Additional distributed servers	\$2,500	\$2,250
Video Processing	\$/min.	
Processing of VHS or S-VHS tape to video player format	\$5.00	\$5.35
Processing of VHS or S-VHS tape to video player format with frame editing	\$40.00	\$42.80
Video Hosting, Monthly Charges	\$/GB/mo.	
Storage and Data Base Maintenance	\$12.00	\$13.00
Serving Fee	\$35.00	\$38.00

Pricing Model - Imaging

iviewit.com will require an annual license fee to process still images to a zoomable and/or panoramic iviewit.com digital image. The licensing fee will increase with additional distributed servers used by the customer.

In addition, if the client requires, iviewit.com will arrange for hosting of the images through its strategic alliance with MPI.net.

iviewit.com will offer a turnkey suite of services to its customers that include: capturing, processing and hosting the images. (Please see the section titled “Digital Imaging” under the Products and Services Description for details on the types of images iviewit.com can create.) In addition to the per image processing fee, iviewit.com will also charge a monthly fee for the number of connections made to the site. The site connection rate will be tiered and the monthly minimum fee will be \$150.

The following outlines the approximate fees for licensing the imaging technologies, capturing, processing and hosting, and connecting to the site:

Image License Charges:		First year	Following years
	Image only master server	\$1,800	\$1,620
	Distributed server	\$800	\$720
	Additional distributed server	\$400	\$360
Image Capture, Processing and Hosting:		Each	
	Single shot	\$68	
	Quarter Pan and Zoom	\$225	
	Half Pan and Zoom	\$435	
	Three quarter Pan and Zoom	\$655	
	Full Pan and Zoom	\$855	
Monthly Charge Schedule Based on Site Connections:		Rate \$	
	Schedule 1 - 1 to 4,999 hits	0.10	
	Schedule 2 - 5,000 to 9,999 hits	0.07	
	Schedule 3 - 10,000 to 24,999 hits	0.05	
	Schedule 4 - 25,000 + hits	0.03	
	Monthly minimum of \$150		

Competitive Analysis

Streaming Media

There are no direct competitors to iviewit.com in the streaming media industry. Software providers, digital distributors, content

Industry	Company Examples
Software Providers	MS Media Player, RealNetworks
Digital Distributors	InterVU, iBeam
Content Providers	Broadcast.com, AtomFilms.com, Den.net
Encoding Services	Loudeye, Sonic Foundry, VideoDome.com

Table 1.0 – Potential Strategic Partners or Licensees

providers, and encoding services will benefit from the increased use of iviewit.com's technologies and potentially could be strategic partners or licensees.

Although a truly different product than iviewit.com's, encoding services can be considered indirect competitors. The following describes the key companies in the encoding industry:

- **Loudeye** – Loudeye, originally encoding.com, is a provider of digitizing and encoding services and offers streaming media production. Loudeye's Optimized Encoding Process™ and proprietary software offers media compression. The company's partnership with platform developers such as Microsoft, Apple and RealNetworks allows codec support.
- **Sonic Foundry** - Sonic Foundry, Inc. is a provider of PC-based software products that enable users to easily work with and edit digital media. Sonic Foundry's products are used for multimedia and Internet applications, music and audio post-production, broadcast production, and digital content creation. Sonic Foundry's products and services offer media consumers the ability to capture and create media, edit the content, and deliver the information via fixed media or electronic distribution. The company's products are designed to run under both the Windows and Windows NT operating systems.
- **VideoDome.com** – VideoDome.com is a provider of Internet video OnDemand solutions. Using its InstaStream system, the company enables the conversion of standard video footage to video on demand. VideoDome.com offers broadcasting media either via a listing in the VideoDome OnDemand Channel Directory, a company's own existing web site, or a dedicated channel with various features including chat, user subscription options and client customization.

(Can we include a matrix like the one in Digital Imaging, to compare these competitors with iviewit.com's video streaming technologies?)

Digital Imaging

There are various companies offering digital imaging services over the Internet. However, as described in the Products and Services section, iviewit.com offers full screen higher quality images that are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. None of iviewit.com's competitors can provide this type of quality imaging.

The following describes the major competitors to iviewit.com in the digital imaging industry:

- **Bamboo.com** – Bamboo.com provides virtual tours of real estate properties for sale or rent. The tours allow users to view the inside and outside of properties, panning right and left or zooming in for a better look. Bamboo.com charges real estate agents a one-time fee to videotape a property, convert the videotape into a virtual tour, and distribute the tour through Internet sites or e-mail. The company markets its tours through agreements with Web sites such as REALTOR.com and HomeBuilder.com.
- **Interactive Pictures Corporation (IPIX)** - Interactive Pictures puts you in the picture. The company's IPIX technology is used by travel and hospitality (Marriott), publishing (New York Times), real estate (ERA), education (National Geographic), and entertainment (Disney) companies to enhance multimedia content, interactivity, and e-commerce on Web sites. Its Wizard software (sold on a per-use basis) converts two photos taken with a digital camera into one IPIX image. The company also sells IPIX-ready digital cameras and accessories and offers multimedia services. Interactive Pictures, whose shareholders include investor Lee Martin, Motorola, MediaOne, and GE Capital, is merging with Bamboo.com.
- **Live Picture / MGI Software** – Live Picture, Inc. (LPI) provides Internet imaging and is the inventor of zoomable images for the Internet. Live Picture develops and sells a complete suite of image servers and Internet and consumer applications based on its Zoom image technology. Live Picture products are used for creating, managing, and distributing highly detailed images for network and print applications. Live Picture offers several viewing options, including its patent-pending Universal Viewing technology, which requires no special client software, as well as Java applets and plug-ins for viewing and printing.
- **Ulead Systems, Inc.** – Ulead Systems was founded in 1989 to develop and market Windows-based imaging and video production tools that allow people to share their ideas and memories. The company provides imaging, video, 3D and Internet software for business and personal communication.

Comparative Review of Major Imaging Features

Company	Full Screen	Singe Image Zoom	Image Distortion	Pixelation Upon Zoom	Panning Ability
Bamboo	Yes	Yes	Yes	Yes	Up, Dn, Lt, Rt
IPIX	No	Yes	Yes	Yes	Lt, Rt
MGI Software	No	Yes	Yes	Yes	Up, Dn, Lt, Rt
Ulead	No	No	Yes	Yes	Up, Dn, Lt, Rt
iviewit.com	Yes	Yes	No	No	Up, Dn, Lt, Rt

Table 2.0 – Imaging Competitor Analysis

Timeline

Date	Milestone
First Quarter 2000	Close the Next Tranche of Financing
	Secure Content for Launch of iviewit.com
	Begin Viral Marketing Campaign of iviewit.com
February – April, 2000	Hire Additional Key Executives and Staff
April 15, 2000	Official Marketing Campaign Begins
	Sales & Marketing Team Approaching Potential Clients
May 15, 2000	Official Launch of iviewit.com
Late 2000	Close the Follow-on Tranche of Financing, if necessary
Mid - Late 2001	Exit Strategies May Include: IPO, Partnering with Another Company, Spin-off of Technologies Application and/or Create Multiple Companies for Different Markets

Financial Summary

iviewit.com is seeking \$XX million in capital to grow its current operations. The funds will be used to expand the current management team and staff, promote and market the technologies, and support iviewit.com until its expected break-even in 20 months. Within two years, revenues are expected to achieve a rate of \$19 million per annum and a net margin of 33%. (Please see "Attachment A – Financial Statements" for more details)

Revenue

Revenue by the end of FY One and FY Two is expected to be \$3.2 million and \$42.0 million, respectively. The revenue projections include licensing, processing, hosting and serving fees for iviewit.com's video streaming and imaging technologies.

SG&A Expense

SG&A Expense by the end of FY One and FY Two is expected to be \$3.1 million and \$5.4 million, respectively. Salaries and marketing and promoting iviewit.com's technologies comprise over 60% of the SG&A expenses. The remaining expenses are for basic overhead.

Exit Strategy

By 2002, iviewit.com is expected to have an Earnings Before Interest and Taxes of over \$10 million. At this point, or possibly earlier, there are several exit strategies that could be employed to give investors liquidity, if so desired. The following are possible examples:

- Initial Public Offering
- Partner with Another Company
- Spin-off Technologies Applications
- Create Multiple Companies for Different Markets

Attachment A – Financial Statements



"Iviewit Financials
1.3.xls"

Attachment B – iviewit.com’s Advisory Board, Legal Counsel and Consultants

Advisory Board

- **Don G. Kane** - Don Kane is President of GDI, a privately held holding company that controls 4 business-to-business Internet companies. Prior to joining GDI, Don was a Managing Director in the Investment Banking Division of Goldman Sachs & Co. During his fourteen-year career at Goldman Sachs, Don created the firm's Midwest Financial Institutions practice and founded a Global Financial Institutions Technology Group. Don is a Board member and Vice Chairman of Sagence Systems, Inc., a GDI company and is a member of the Board of Versifi, Inc. and Erogo Systems. Don is an advisor to Signcast, Inc., Gryphon Holdings and Capita Technologies. He is a member of the Kellogg Graduate School of Management Advisory Board at Northwestern University and is a member of the Board of the Metropolitan YMCA of Chicago.
- **Alan Epstein** – Alan Epstein is a shareholder of the entertainment law firm Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C., which is based in Los Angeles. Alan’s law practice consists of advising Internet companies on various issues pertaining to the entertainment industry, including the creation, licensing and acquisition of content, the introduction and negotiation of strategic partner relationships, and various other matters relating to the convergence of technology and content. Alan also advises his firm’s numerous celebrity clients on the exploitation and protection of their name and likeness rights and content on the Internet, as well as merchandising, endorsement and sponsorship deals. Prior to entering the UCLA School of Law, Alan was a certified public accountant at Deloitte Haskins & Sells in Dallas, Texas.
- **Christopher C. Wheeler** –
- **Kenneth Rubenstein** – Ken is a partner at Proskauer Rose LLP law firm and is the patent attorney for iviewit.com. He is a registered patent attorney before the U.S. Patent & Trademark Office. Ken counsels his clients with respect to the validity and infringement of competitors' patents, as well as prosecutes patent applications. For the past several years Ken has worked on the formation of a patent pool, for MPEG-2 technology, involving large consumer electronics and entertainment companies. Ken is also a former member of the legal staff at Bell Laboratories. Ken received his law degree, cum laude, from New York Law School. and his Ph.D. in physics from the Massachusetts Institute of Technology where he also graduated with a B.S. Degree.
- **Ray Joao** – Ray heads Meltzer, Lippe’s Intellectual Property Rights, Patents, Copyrights and Trademarks Group. He specializes in intellectual property law, including patents, trademarks and copyrights, as well as technology transfers. He has extensive experience in patent prosecution, licensing and litigation in the fields of computer software and hardware, communication networks, electronics, the Internet, financial modeling and mechanical devices. Ray is adept at dealing with high

technology companies and other companies looking to patent not only their physical inventions but new business methods as well.

Legal Counsel

- **Armstrong Hirsch Jackoway Tyerman & Wertheimer** - Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C. is one of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting in developing the business structure of iviewit.com.
- **Proskauer Rose** - Proskauer Rose LLP is one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients through the United States and around the world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.
- **Meltzer Lippe Goldstein & Schlissel, P.C.** – The firm's focus is providing legal and business-related services to high-technology companies. These services include public offerings, venture financing, mergers and acquisitions, executive compensation strategies, tax structuring, intellectual property audits, patents, patent licensing and corporate and intellectual property litigation services. Meltzer Lippe practices in more than 20 legal disciplines and acts as General Counsel to the Long Island Venture Fund, Newlight Associates, L.P., and LISTnet, where they are also a Founder. The firm served as outside General Counsel to Cheyenne Software, Inc. until it merged with Computer Associates International Ltd.

Consultants

- **Danny Socolof** – Mr. Socolof is the founder and CEO of the Marketing Entertainment Group of America, Inc., an entertainment production and marketing company. Mr. Socolof has created national branding events and campaigns for the world's largest and most important intellectual property owners including MTV, Pepsi, Nintendo, Proctor and Gamble, SC Johnson, Anheuser-Busch, Apple Computers, Philips Electronics and many other top tier entertainment and global consumer products organizations.
- **Mike McGinley** – Mr. McGinley is the founder of SRO Consultants, a Los Angeles based international consulting firm that provides a wide range of business and management services for the entertainment and music industry. SRO Consultants provides strategic consulting and marketing/cross promotions to industry leaders such

as Microsoft, DirecTV, Best Buy, InterVU and Music Choice. Additionally, SRO handles tour accounting for more than 100 major clients including Sting, Neil Young, the Rolling Stones and Tom Petty. Mr. McGinley is a Certified Public Accountant who received his B.A. in business administration from the University of Montana.



- **Eric Chen** - Mr. Chen has spend much of his career in the field of investment banking where he has specialized in advising, financing and guiding the growth strategies of many health care companies. His areas of expertise include biotechnology, medical diagnostics, and new emerging drug technology and delivery systems. He has served as an analyst, Senior Vice President and Managing Director for several Wall Street firms including Furman Selz, Hambrecht & Quist, Fechter Detwiler and Southeast Research Partners. Much of his activities have focused upon early stage growth companies in both the public and private sectors. He has analyzed companies in a wide variety of industries, which include vision care, telecommunications, computer storage, software applications and data management. Mr. Chen is the President of Emerald Capital Partners, which he co-founded with Mr. Buchsbaum, since his departure from Southeast Research Partners in early 1999.

Attachment C – Potential Markets for iviewit.com’s Video & Imaging Technologies

Market	Video	Image
3D Graphics		X
Advertising	X	X
Art		X
Automotive *	X	X
Commercial Properties	X	X
Computer Games	X	X
Entertainment *	X	X
Executive Search, Modeling, Casting & Dating Services *	X	X
Health Care *	X	X
High value Auctions	X	X
High-end Luxury (e.g. Boats & Airplanes)	X	X
Hotels & Resorts *	X	X
Image Libraries		X
Medical Imaging *	X	X
Military & Government	X	X
Residential Properties	X	X
Software Applications	X	
Sports *	X	X

* iviewit.com is actively pursuing these markets

Home Phone	Mobile Phone
Categories : CONN (3 items)	
310-577-4684	213-952-5990
Categories : IOWE (1 item)	
Categories : OWEME (4 items)	
310-395-6507	
Categories : TOCALL (1 item)	

	 	Full Name	Categ...	Company	Business Ph...
Categories : CONN (3 items)					
<input type="checkbox"/>		MS. LEIGH BRILLSTEIN	CONN	ICM	310-550-4258
<input type="checkbox"/>		TOM HOBERMAN	CONN	Hansen Jacobson Teller Hoberman	310-271-8777
<input type="checkbox"/>		SEAN PERRY	CONN	Endeavor	310-248-3042 (Di...
Categories : IOWE (1 item)					
<input type="checkbox"/>		KIMBERLY STEVENS	IOWE		310-990-2233
Categories : OWEME (4 items)					
<input type="checkbox"/>		RICHARD FRANKIE	OWEME	Columbia TriStar Television Distri...	310-244-8851
<input type="checkbox"/>		RICK ROSEN	OWEME	ENDEAVOR	310-248-2000
<input type="checkbox"/>		JOSEPH R TAYLOR	OWEME	Liner Yankelevitz Sunshine Weinh...	310 586-2371 ...
<input type="checkbox"/>		JILL WILLIS	OWEME	Renaissance Management	612-447-1636 Ho...
Categories : TOCALL (1 item)					
<input type="checkbox"/>		NORMAN ALADJEM	TOCALL	Writers & Artists Agency	323-866-0900

Epstein, Alan

From: Alan Epstein [ajepstein@earthlink.net]
Sent: Sunday, January 30, 2000 9:30 PM
To: Kathy Yeung
Cc: Eliot Bernstein; Brian Utley; DanSocolof (megalv); Michele Mulrooney; Roxane Quinn; Alan Epstein
Subject: AJE Resume for Biz Plan

Ajeres2.doc

Kathy: Attached is my long-overdue bio for Advisory Board. Please feel free to edit as you deem appropriate. You also may want to consider adding our law firm, Proskauer and Meltzer Lippe to the legal counsel section of Exhibit B, rather than in the Strategic Partners and Investors section. I think that more clearly describes the relationships (given that our cash investment was nominal and our most important role is as counsel). Thx. Alan E.

*JE: ~~ADD~~ insert
Business Plan*

Alan Epstein Biography

Alan Epstein is a shareholder of the entertainment law firm Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C., which is based in Los Angeles. Prior to entering the UCLA School of Law, Alan was a certified public accountant at Deloitte Haskins & Sells in Dallas, Texas. Alan's law practice consists of advising internet companies on various issues pertaining to the entertainment industry, including the creation, licensing and acquisition of content, the introduction and negotiation of strategic partner relationships, and various other matters relating to the convergence of technology and content. Alan also advises his firm's numerous celebrity clients on the exploitation and protection of their name and likeness rights and content on the internet, as well as merchandising, endorsement and sponsorship deals. In addition to his internet-related activities, Alan also has represented buyers and sellers in various merger and acquisition transactions relating to the entertainment and sports industries, and counsels his clients on various domestic and international tax matters. Alan was the Chairman of the Entertainment Tax Committee of the Los Angeles County Bar Association from 1996-98. In late 1999, the Minister of Finance asked Alan to be a member of the Canadian Film Industry Advisory Committee, the purpose of which is to advise the Canadian government on various tax and business issues relating to the entertainment industry in Canada. Alan has published numerous articles, and is a frequent lecturer on tax and business issues pertaining to the entertainment industry.

Alan Epstein Biography

Alan Epstein is a shareholder of the entertainment law firm Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C., which is based in Los Angeles. Prior to entering the UCLA School of Law, Alan was a certified public accountant at Deloitte Haskins & Sells in Dallas, Texas. Alan's law practice consists of advising internet companies on various issues pertaining to the entertainment industry, including the creation, licensing and acquisition of content, the introduction and negotiation of strategic partner relationships, and various other matters relating to the convergence of technology and content. Alan also advises his firm's numerous celebrity clients on the exploitation and protection of their name and likeness rights and content on the internet, as well as merchandising, endorsement and sponsorship deals. In addition to his internet-related activities, Alan also has represented buyers and sellers in various merger and acquisition transactions relating to the entertainment and sports industries, and counsels his clients on various domestic and international tax matters. Alan was the Chairman of the Entertainment Tax Committee of the Los Angeles County Bar Association from 1996-98. In late 1999, the Minister of Finance asked Alan to be a member of the Canadian Film Industry Advisory Committee, the purpose of which is to advise the Canadian government on various tax and business issues relating to the entertainment industry in Canada. Alan has published numerous articles, and is a frequent lecturer on tax and business issues pertaining to the entertainment industry.

Epstein, Alan

From: Eliot I. Bernstein [viewmaster@viewit.com]
Sent: Thursday, January 20, 2000 9:01 AM
To: Alan J. Epstein (E-mail); Daniel Socolof (E-mail)
Cc: Simon L. Bernstein (E-mail)
Subject: FW: revenue projections
Importance: High

-----Original Message-----

From: James F. Armstrong [mailto:jarmstrong1@home.com]
Sent: Thursday, January 20, 2000 11:37 AM
To: Kathy Yeung
Cc: Brian G. Utley; Eliot I. Bernstein
Subject: revenue projections
Importance: High

Kathy - Attached please find the excel workbook that contains separate revenue models for the video and the imaging businesses. Some of the variable inputs may have to be tweaked. Brian is out of town and was not available to review these final assumptions for accuracy; however, I think they're close.

Please call me if you have any questions. I will be on the road most of the day - I can be reached sporadically at 561-866-2042. Or call me after 6pm ET at 732-747-1448.

Thanks

-Jim

1/20/00

ALL ITEMS IN BLUE ARE INPUTS
1 client = 1 master server

Quarterly Growth By Industry 1st Qtr, 2000

4	50%	Hotel & Resort Properties
4	75%	Entertainment
4	20%	Automotive
1	75%	Health Care
2	40%	Executive Search, Modeling, Dating

Cumulative Master Image-Only Servers: 13

Revenue Assumptions

	<i>Fee Yr 1</i>	<i>Fee Yr 2</i>
Video Streaming		
Image Only Master Server	\$ 1,800	\$ 1,620
Distributed Server	\$ 800	\$ 720
Additional Distributed Servers	\$ 400	\$ 360
Average Number of distributed servers	0.2	0.4
Average Number of Additional Distributed Servers	0.1	0.2
Revenue for image capture, processing and hosting		
Monthly charge @ \$150 min.		
Revenue per Quarter	\$62,361	\$62,361
Cumulative Revenue Year 1	\$62,361	\$62,361
Cumulative Revenue Year 2		\$5,655

	Ave # of shots per client	Fee per Shot
Image Capture, Processing & Hosting	4.0	68
Single Shot	4.0	225
Quarter Pan and Zoom	4.0	435
Half Pan and Zoom	1.0	655
Three quarter Pan and Zoom	0.5	855
Full Pan and Zoom	0.5	10.00
% of Total Client sites (master servers) at each traffic level		
25%	1500	0.10
30%	2500	0.10
25%	7500	0.07
15%	17500	0.05
5%	40000	0.03

	Monthly Charge Based on Hits on Site	Fee/Hit
Monthly Minimum	1 - 4999 Hits; Rate per Hit	\$ 0.10
5000 - 9999 Hits; Rate per Hit		\$ 0.07
10000 - 24999 Hits; Rate per Hit		\$ 0.05
25000 + Hits; Rate per Hit		\$ 0.03

Master Image-Only Servers

	2nd Qtr, 2000	3rd Qtr, 2000	4th Qtr, 2000	1st Qtr, 2001	2nd Qtr, 2001	3rd Qtr, 2001
\$	14,400	27,000	43,200	91,260	129,960	218,700
\$	3,360	5,760	9,600	28,512	47,232	78,336
\$	840	1,440	2,400	7,128	11,808	19,584
\$18,896	\$35,430	\$56,688	\$92,118	\$153,530	\$255,096	\$118,320
\$9,135	\$15,660	\$26,100	\$43,065	\$71,340	\$118,320	\$690,036
\$46,631	\$85,290	\$137,988	\$262,083	\$413,870	\$690,036	\$1,365,989
\$108,992	\$194,282	\$332,270	\$262,083	\$675,953	\$1,365,989	
21	36	60	99	164	272	
3	5	7	10	14	20	
4	7	13	23	41	72	
1	2	3	4	5	6	
7	13	23	41	72	126	
6	9	14	21	32	48	

\$2,528,240

\$1,162,251

\$197,925

\$432,246

\$ 32,760

\$ 131,040

\$ 368,280

455

28

126

8

221

72

4th Qtr, 2001



ALL ITEMS IN BLUE ARE INPUTS
 1 client = 1 master server

Industry	Quarterly Growth By Industry	1st Qtr, 2000			2nd Qtr, 2000			3rd Qtr, 2000		
		1	2	3	4	5	6	7	8	9
Hotel & Resort Properties	50%	4	4	6	9	9	9	9	9	9
Entertainment	75%	4	4	7	13	13	13	13	13	13
Advertising	25%	2	2	3	4	4	4	4	4	4
Automotive	20%	1	1	1	2	2	2	2	2	2
Health Care	75%	2	2	4	7	7	7	7	7	7
Executive Search, Modeling, Dating	40%	2	2	3	5	5	5	5	5	5
Cumulative Master Video Servers:		15	24	40	40	40	40	40	40	40

Revenue Assumptions	Fee Yr 1	Fee Yr 2	1st Qtr, 2000	2nd Qtr, 2000	3rd Qtr, 2000
<i>Video Streaming</i>					
Video and Image Master Server	\$25,000	\$22,500	\$375,000	\$225,000	\$400,000
1st Distributed Server	\$12,000	\$10,800	\$180,000	\$108,000	\$192,000
Additional Distributed Servers	\$8,000	\$7,200	\$60,000	\$36,000	\$64,000
Average Number of Additional Distributed Servers	0.5	1.8			
Video Processing per Minute	\$4.75	\$5.00	\$26,353	\$43,007	\$76,029
Video Processing per Minute with Frame Touch-ups	\$23.75	\$25.00	\$6,588	\$10,752	\$19,007
Video Hosting per GB/month	\$12.00	\$13.00	\$1,398	\$2,282	\$4,034
Serving Fee per GB/month	\$35.00	\$38.00	\$69,546	\$120,459	\$220,897
Average Number of GB for Video Hosting			38.836	63.378	112.042
Video minutes hosted			5,548	9,054	16,006
Average Number of GB for Served per quarter			1,987	3,442	6,311

Revenue per Quarter
 Cumulative Revenue Year 1
 Cumulative Revenue Year 2

\$718,885.05 \$545,498.88 \$975,966.04
\$718,885.05 \$1,264,383.93 \$2,240,349.97

	ave minutes per video	# of videos to encode/qtr/ client	total minutes per quarter, per client	MB Hosted per quarter per client
Hotel & Resort Properties	5	1	5	35
Entertainment	45	15	675	4725
Advertising	0.5	2	1	7
Automotive	3	2	6	42
Health Care	20	3	60	420
Executive Search, Modeling, Dating	3	450	1350	9450

# of Playbacks per video/Qtr	MB Served per Quarter per client
90	3150
90	425250
360	2520
90	3780
90	37800
10	94500
	567000

ATTACHMENT A

Iviewit.com LLC Assumptions

Revenue Assumptions	<u>Fee Yr. 1</u>	<u>Fee Yr. 2</u>	<u>Qtr. Yr. 1</u>	<u>Qtr. Yr. 2</u>	<u>Direct Expense</u>
<i>Video Streaming</i>					
Video and Image Master Server	\$ 25,000	\$ 22,500			
1st Distributed Server	\$ 12,000	\$ 10,800			
Additional Distributed Servers	\$ 8,000	\$ 7,200			
Average Number of Additional Distributed Servers	10	10			
Video Processing per Minute	\$ 4.75	\$ 4.75			
Video Processing per Minute with Frame Touch-ups					
Video Hosting per GB/month	\$ 12	\$ 12			
Serving Fee per GB/month	\$ 35	\$ 35			
Average Number of GB for Video Hosting/Serving Fee		-			
<i>Imaging</i>					
Image Only Master Servier	\$ 1,800	\$ 1,620			
Distributed Server	\$ 800	\$ 720			
Image Capture, Processing & Hosting					
Single Shot	\$ 68	\$ 68			
Quarter Pan and Zoom	\$ 225	\$ 225			
Half Pan and Zoom	\$ 435	\$ 435			
Three quarter Pan and Zoom	\$ 655	\$ 655			
Full Pan and Zoom	\$ 855	\$ 855			
Monthly Charge Based on Hits on Site					
1 - 4999 Hits; Rate per Hit	\$ 0.10	\$ 0.10			
5000 - 9999 Hits; Rate per Hit	\$ 0.07	\$ 0.07			
10000 - 24999 Hits; Rate per Hit	\$ 0.05	\$ 0.05			
25000 + Hits; Rate per Hit	\$ 0.03	\$ 0.03			

SG&A Expenses

Monthly Yr. 1

Other

Inc/Amt Yr. 2

Salaries	\$	363,167		\$	399,483	
Salary Increase				10%		
Benefits and Payroll Taxes (% of Salary)			15%			
Rent (18,000 sq ft @ \$1.67 per sq ft)	\$	30,000		0%		
Marketing Expense	\$	250,000		10%		
Marketing Launch Expense			#####			
Travel / Entertainment	\$	65,000		10%		
Consultants	\$	40,000		10%		
Equipment Maintenance / TI Lines / Web Hosting	\$	20,000		10%		
Office Overhead	\$	15,000		10%		
E&O Liability Insurance	\$	8,000		10%		
Miscellaneous	\$	5,000		10%		
Income Tax Rate						40%

FW: FRom Heather: Points for Nomad proposal

Epstein, Alan

From: Eliot I. Bernstein [viewmaster@iviewit.com]
 Sent: Thursday, January 20, 2000 7:22 AM
 To: Brian; Simon L. Bernstein (E-mail); Christopher C. Wheeler (E-mail); Alan J. Epstein (E-mail); Maurice Buchsbaum (E-mail); Donald G. Kane II (E-mail); James F. Armstrong (E-mail)
 Subject: FW: FRom Heather: Points for Nomad proposal

-----Original Message-----

From: EIB [mailto:alps@netline.net]
 Sent: Thursday, January 20, 2000 7:30 AM
 To: eliot@iviewit.com
 Subject: FW: FRom Heather: Points for Nomad proposal

-----Original Message-----

From: Heather Sullivan [mailto:bitterina@hotmail.com]
 Sent: Thursday, January 20, 2000 12:55 AM
 To: viewmaster@iviewit.com
 Cc: meganyc@aol.com
 Subject: FRom Heather: Points for Nomad proposal

Hello Elliot -

Here are the points for he proposal for iviewit to be the encoding technology for i.m.Nomad's image bank on the Internet (video & still image) iviewit to put up \$1M for which they gain the following:

- * the exclusive license to be the processing technology
- * the right to watermark on the Internet video - billboarded at the beginning of each episode
- * promotional excerpts with live footage on iviewit's site
- * iviewit to receive clips from Talent during FEBruary/MARch 20000 with said

481-0539
Brian@iviewit.com
12/15/00
45 - View e-mail lists

From: Alan Epstein <ajepstein@earthlink.net>
To: "Dan Socolof (nyc aol)" <meganyc@aol.com>
Date: 1/24/00 5:24PM
Subject: Nomad/lviewit

Dan:

Per your request, attached is a draft proposal (<<socolof.doc>>) from lviewit re Nomad. Please call me to discuss when you have a chance. Best way is on my mobile, at 310/871-9512.

Talk to you soon.

Best, Alan Epstein

PS Please email any responses to my regular email address: aepstein@ahjtw.com. That will then get routed over to my earthlink account, which I use when I'm traveling.

CC: Heather Reynolds <heather@megalv.com>, Eliot Bernstein <alps@netline.net>, Simon Bernstein <simon@adelphia.net>, Brian Utley <Brian@lviewit.com>, Jeff Friedstein <jeff.friedstein@gs.com>, Gerry Lewin <codi49@adelphia.net>, Chris Wheeler <cwheeler@proskauer.com>, Barry Tyerman <btyerman@ahjtw.com>, Michele Mulrooney <mmulrooney@ahjtw.com>, Don Kane <dg_kane@email.msn.com>, Roxane Quinn <rquinn@ahjtw.com>

Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C.
1888 Century Park East
18th Floor
Los Angeles, California 90067
tel. 310/553-0305
fax. 310/553-5036

January 24, 2000

Via e-mail

Mr. Dan Socolof
c/o MEGA
6787 West Tropicana Ave.
Las Vegas, Nevada 89103

Re: "Nomad" Proposal

Dear Dan:

Yesterday you asked me to send you a written proposal from Iviewit regarding the Nomad project. Before doing so, let me restate the obvious. Iviewit is extremely excited about the opportunity to showcase its state-of-the-art video and imaging technology on this project. Iviewit can help Nomad achieve the high level quality of streaming video which is necessary to effectuate a profitable pay-per-view Internet distribution strategy with minimum bandwidth constraints, and Nomad can help Iviewit launch its branding campaign on the way to having its technology elected by the marketplace. A win-win, to be sure.

With that said, set forth below is a proposal relating to the participation and investment by Iviewit, Inc. ("Iviewit") in the "Nomad" Internet/film project starring Heidi Klum, Rachel Roberts and Estella Warren and directed by Russell James (the "Film"), which Film is currently owned by an entity or group of entities controlled by yourself and Russell James (such entity(ies) will be referred to as "NomadCo."):

A. Iviewit Gives NomadCo.:

1. \$100,000 in cash payable upon execution;
2. An additional \$125,000 in cash, payable as follows: \$62,500 upon commencement of principal photography of the Film and \$62,500 upon the release for Internet distribution of the last webisode/arc comprising the Film;

conferences, media events, media interviews, conventions and trade shows relating to NomadCo. and/or the Film, with the opportunity to place Iviewit signage and banners in a prominent position at conferences, events, etc.

6. The right of full and meaningful consultation with respect to the marketing and publicity campaign and any other promotional or marketing efforts relating to the Internet distribution of the Film;

7. The right to display and distribute on the Iviewit site for three years no less than thirty photographs of Heidi Klum, Rachel Roberts and Estella Warren (and any other supermodels involved with the Film), using Iviewit's imaging technology. It is contemplated that these photographs would come from Russell James' archive (i.e., the photos would not be related to the Film), and each photograph would be mutually approved by Iviewit and Mr. James;

8. The right to display and distribute on the Iviewit site for three years still photographs and video clips relating to the Film, including without limitation behind-the-scenes footage from the "making of" the Film, interviews with the supermodels prior to and during the production of the Film, and any and all other still images, video and any other marketing, advertising and promotional materials, information or data in any form provided or released to third parties in connection with the "viral" marketing campaign or other marketing or advertising efforts relating to the Film. Iviewit would like to receive any and all of such materials no later than when they are made available to any third party or posted on the NomadCo. site;

9. The right to advertise the Film and Iviewit's involvement with the Film, using the advertising and marketing materials (including photographs of the supermodels, title, key art, etc.) provided by NomadCo.; and

10. A thirty day right of first negotiation to be the exclusive processing technology for Internet distribution with respect to any sequel, remake or spinoff of the show.

11. A covenant that the distribution of the first webisode/arc of the Film on the Internet will occur at least __ months (to be discussed) prior to any theatrical release, television, pay television, or pay-per-view television release, or DVD or video home distribution of the Film.

C. Additional Information:

Prior to concluding a deal, we would very much appreciate receiving the following additional information relating to the Film and NomadCo.:

(i) Status of financing efforts. Yesterday you mentioned that the European group offered to finance 100% of the budget under a participating loan

Alisa Ruth : Craig Diamond - 1/12/00

- 1) Wirebreak.com Producing original web media content. Digital show. Lots of interesting stuff. First arrival. 25 year old man. MTV of the 25 year old man. Sports, news, cooking, shopping man. Maxi-magazine approach. all original programming.

Targeted in Seattle & LA offices. Fresh and soft launch. Expanding from format. Paid media - not text: photos.

~~Wirebreak.com~~

Re:
invest/
entertainment

- 2) Looked back at this offering on the net - Why be too heavy. Too much bandwidth? CPU?

~~Wirebreak~~ 2000 - more segmented into specific categories. Women Channel. Not the comp. Want to raise the bar.

Want to accompany each category with a video bar.

This program is typically on demand.

- 3) Just closed Series B round at \$5M at 25M post-money value. Looking at: lots of people approaching the 1 million opportunity. Modest again, etc. Wording of can do less cool, some stock. Not's offered to the company. Willhelmina?

Has't been doing PPV.

Epstein, Alan

From: EIB [alps@netline.net]
Sent: Tuesday, January 18, 2000 5:03 AM
To: Simon L. Bernstein (E-mail); Brian G. Utley (E-mail); Christopher C. Wheeler (E-mail); Alan J. Epstein (E-mail); Donald G. Kane II (E-mail)
Subject: FW: DS comments on ver 1.5

IVIEWI - 4.DOC

-----Original Message-----

From: MEGANYC@aol.com [mailto:MEGANYC@aol.com]
Sent: Monday, January 17, 2000 7:09 PM
To: kathyyeung@sroconsultants.com; viewmaster@iviewit.com
Cc: brian@iviewit.com; heather@megalv.com
Subject: DS comments on ver 1.5

Attached are my comments. Please send them to Brian (as is) ASAP and Alan too.

I think we should gear for a meeting together in LA on Monday morning @ Alan's starting at 12 noon to review ver 1.6 which should be the final deliverable against our contract accounting for tweaks which we make in real time together on Monday.

On Tuesday, we can meet together with Mike to discuss the Microsoft strategy and investor strategy; Mike may not be available pending a court date until late in the day.

Kathy, please distribute ver 1.6 to all by close of business Tuesday.

All the best
Danny Socolof

tc.
iviewit/
business pl-



*A Leader in New Visual Technologies for Tomorrow's
Markets*

iviewit.com, Inc. Business Plan

Contact Information:

Brian G. Utley, President & COO

iviewit.com

One Boca Place

2255 Glades Road, Suite 337W

Boca Raton, Florida 33431

561-999-8899 ext. 304

brian@iviewit.com

Confidentiality Statement

This business plan and the exhibits hereto (collectively, the “Plan”) have been submitted on a confidential basis for use by a limited number of sophisticated investors or acquirers (the “Investor(s)”) solely for, and should be used only in connection with, an Investor’s consideration of an investment in iviewit.com, Inc., (the “Company”). Its use for any other purpose is not authorized. Any reproduction or distribution of the Plan, or re-transmittal of its contents, in whole or in part, without the prior written consent of the Company is prohibited.

This Plan contains certain information of a highly confidential nature, including projections by the Company’s management of the Company’s performance and other material of a forward-looking nature. The receipt of this Plan constitutes an agreement on the part of the recipient hereof to maintain the confidentiality of the information contained herein or any additional information subsequently delivered in connection herewith. Investors who accept this Plan or become aware of the information contained herein must understand and comply with the extensive restrictions imposed by Federal and State securities laws upon their ability to disclose information contained herein to others or to participate in or otherwise effect or facilitate any transaction relating to any securities of the Company. Investors who cannot comply fully with such restrictions should not review the information contained herein and should immediately return this Plan to the Company.

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Executive Summary

Company

iviewit.com is a company engaged in the application of new visual technologies for the use of consumers to make their experience over the Internet dynamic and real. The Company's business is to leverage its technology

- to license the application,
- to develop new markets and applications, and
- to build a platform for visual technology.

iviewit.com Technology

Iviewit.com has developed two complimentary technologies to enhance images delivered over the Internet. The first is a state-of-the-art, proprietary technology, enabling full screen, high quality streaming video to be viewed by any internet video player with increased quality and reduced file size. Broadband and modem users can see the streaming video with no (appreciable) download time required. The second digital imaging technology creates an opportunity for full screen still images and panoramas that can be magnified with minimal image distortion. Iviewit.com has protected its technology by filing and securing eight patents for its video streaming and imaging technology

iviewit.com has developed a state-of-the-art proprietary technology enabling full screen, TV quality streaming video and digital imaging for the Internet. The streaming video can be seen by both broadband and modem users with no download time required. The digital imaging allows for full screen still images or panoramas that can be magnified with minimal image distortion. iviewit.com has protected its technology by filing and securing eight patents for its video streaming and imaging technology.

Benefits of iviewit.com's Technology

The benefits of iviewit.com's technology are: (i) it will enhance the image quality of any video content streamed over the Internet no matter which player is used to view the video. (ii) it will enhance the ability to view still images on the Internet by allowing for ~~credible~~incredible zoom and panning by the user (iii) it will reduce the cost of serving the file for the host sites.

With the incredible current and future expected growth of the broadband industry and digital imaging, iviewit.com is ideally positioned with its technology to capitalize on this opportunity. Quantify the cost benefits of the technology. Explain that it runs 50% - 80% more efficient.

Product and Services Offered

The following lists the products and services offered by iviewit.com. Through its primary source of revenue, licensing deals, the company will create a recurring stream of income that will expand shareholder value.

-

- Site Licensing for the Distribution of Product Processed by iviewit.com ~~iviewit.com Product~~. Each site distributing iviewit.com visual media product must license the technology. The licensing fee will be either an collected up front as an annual fee and there may be additional royalties due within each annual licensing period for expanded use of the product, fee or will be included in the price of each product.
- Image and Video Processing based on time of delivery. Priority and standard processing is provided. Priority processing guarantees a next day delivery by ftp to the customer or iviewit.com site. Standard delivery is within 5 working days.
- Web Hosting of Image and Video Content, Linked to a Client's Site. Iviewit.com will offer hosting services through its strategic alliance with (?). This service will be for content owners who do not have the server capacity to store or stream their content and will not be applicable to all clients. This is an extension of the current web site. Seamless linking is a well-established Internet technique and has been validated by iviewit.com testing with prospective customers.
- Photographic or Video Recording Services. (Do we really want to get involved in the actual recording of media...is this a profitable use of resources?) iviewit.com has retained the services of a large number of professional videographers in order to handle customer requirements.
- Web Site Creation and Hosting. Professional designer support is available through iviewit.com's subcontract with Real 3D and other web site specialists. This service is not expected to be a major part of iviewit.com's business.

Market Penetration Strategy & Launch

iviewit.com is currently negotiating the ~~sale or~~ license of its products and services with major corporations such as: Hyatt Hotel & Resorts, @merican Enterprise.com, 3Com, Playboy, University of Florida, and Sportsline.com. The response to the technology and pricing licensing cost has been overwhelmingly very positive. While iviewit.com technology is applicable across a wide spectrum of b2b and b2c internet sites, the company will concentrate its licensing initiatives in the following areas: ~~There are many markets for iviewit.com to target, however initially, the company is focusing on the~~ Automotive, Consumer and b2b Advertising, Entertainment, Health Care, Executive Search, Sports, Modeling, Casting and Dating Services industries.

iviewit.com plans to launch its video streaming technology with a high profile entertainment event called i.m.Nomad. The event is a made for the internet mini-series consisting of 15 four-minute episodes starring internationally renowned supermodels Heidi Klum, Estella Warren and Rachel Roberts.

Management Team

iviewit.com has a strong, well-experienced and diversified management team, Board of Directors, and Advisory Board. Brian Utley, President and COO, has been involved in the computer industry since 1955, 37 years of which were with IBM. He has been in senior management and executive positions since 1965 culminating in his responsibility as Vice President and General Manager of IBM Boca Raton with a population of over 6,000 professionals. The Board of Directors and Advisory Board is equally well experienced with backgrounds in running large corporations, developing technology,

dealing with patent and business legal issues, financing start-up companies and preparing companies for an IPO.

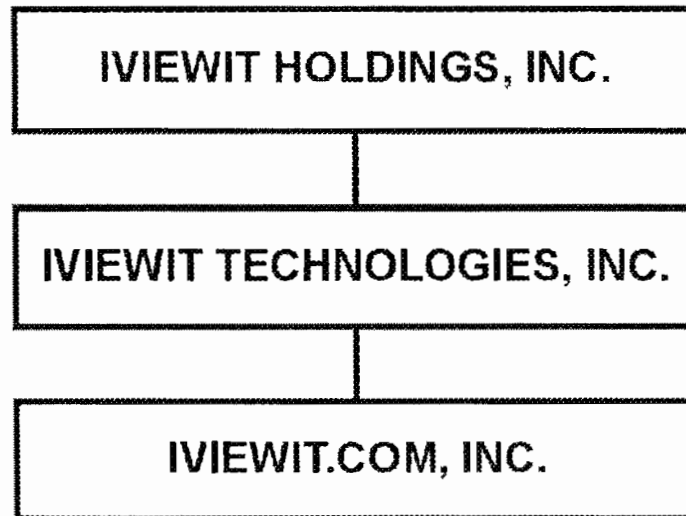
Strategic Alliances with Real 3D and @merican Enterprise

(Define who Real 3D and American Enterprise are; 2 sentences each. (indicate ownership of Real 3d)

iviewit.com has ~~developed~~ signed a strong strategic partnerships with Real 3D, a well-respected technology company, and with @merican Enterprise.com, the leading portal for the aggregation and dissemination of health care information. Real 3D is providing hosting, serving and technology enhancement services. In addition, Real 3D has performed a technology evaluation phase of iviewit.com's imaging and video streaming technology, in which they found it to be "superb". With @merican Enterprise.com, iviewit.com will make health care related video and imaging content accessible to consumers, employers, physicians, government agencies, and suppliers. In addition to the content opportunities with the countless entities who will utilize this network, iviewit.com will also gain access to @merican Enterprise.com's other national and international strategic alliance partners. iviewit.com has also created alliances with various business and patent law firms.

Financial Analysis

- Approximate overhead expenses
- Profit, return rates
- When iviewit.com expects to break-even
- Use of Proceeds
- How much money iviewit.com is looking for in this round of financing
- Exit Strategies May Include: IPO, Partnering with Another Company, Spin-off of Technology Application and/or Create Multiple Companies for Different Markets



Future Plans for iviewit.com

iviewit.com believes that there is a—virtually unlimited growth opportunity for its proprietary visual Internet media. Once it has secured funding, iviewit.com will focus initially on aggressively developing licensing its video streaming and imaging business technologies to establish a branded leadership position for enhancing images viewed over the Internet.

Key Management

- **Brian Utley, President and Chief Operating Officer** — Mr. Utley has been involved in the computer industry since 1955, 37 years of which were with IBM. He has been in senior management and executive positions since 1965 culminating in his responsibility as Vice President and General Manager of IBM Boca Raton with a population of over 6,000 professionals. During his career he has been responsible for advanced technology product development on many fronts. In addition he was responsible for a number of IBM's overseas activities including product development, product management and market development. The most notable of which was the introduction of the IBM PC to Europe. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results.
- **Eliot I. Bernstein, Founder and Chief Technology Officer** — Mr. Bernstein, a graduate of University of Wisconsin in psychology with a minor in computer science, spent 15 years in a highly successful insurance career during which he created many innovative and effective computer based, multimedia marketing tools. These products remain in use today to service over \$1 billion of insurance business. In 1998, like many entrepreneurs, Eliot chose to risk everything to pursue his dream of creating high impact visual applications for the Internet and iviewit.com was born. He combined his passion for photography and video with a burning desire to see the

Internet evolve from a text-based medium to a visual tool. As Chief Technology Officer Eliot oversees the development of all aspects of iviewit.com's imaging and video technology. As the inventor behind the patents now in process at the US Patent Office Eliot continues to play a key role in the development of visualization technology and is committed to insuring that iviewit.com maintains its leadership position in the industry.

- **(Should we add Jim Armstrong to beef up the Management Team?)**

Although Mr. Utley and Mr. Bernstein's vast experience is a tremendous asset to the company, iviewit.com understands that it needs to assemble a highly qualified and diverse management team. Once funding is secure, iviewit.com intends to fill the following additional key positions within 60 days:

- Chief Executive Officer
- Chief Financial Officer
- EVP of Sales & Marketing
- VP Licensing

Board of Directors

- **Brian G. Utley, President & COO**
- **Eliot I. Bernstein, Founder & CTO**
- **Simon L. Bernstein, Chairman of the Board** - Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over \$800 million in life premium sales. Mr. Bernstein's career in the life insurance industry began in 1965 when he became the top producer for Aetna Life and Casualty Company. He has remained in the top 5% of life insurance sales agencies since that time. Mr. Bernstein is currently a qualifying and life member of the Million Dollar Round Table.
- **Gerald R. Lewin, Director** - Gerald Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. In 1981, Mr. Lewin joined Donald Goldstein to form Goldstein Lewin & Co., which currently has a leading 30 man southeastern accounting firm. Mr. Lewin specializes in business consulting and is highly knowledgeable in many areas of accounting, tax and financial planning. Mr. Lewin is a member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.
- **Maurice R. Buchsbaum, Director** - Mr. Buchsbaum has engaged in corporate finance projects as a principal, advisor, consultant, director or senior managing director for the past 27 years. As a partner or senior officer of several leading

investment banks (including Drexel Burnham, Kidder Peabody and JW Genesis), he has worked in all aspects of corporate finance. He formed Emerald Capital Partners in early 1999, to provide strategic planning and banking advice to a myriad of small and medium sized American growth companies. He has engaged in numerous public and private transactions that include seed capital, early stage financing, major and late stage strategic finance, restructuring and mergers/acquisitions ranging in size from \$1 million to \$700 million. His industry experience includes health care, technology, telecommunications, biotechnology, financial services, environmental, and airlines. He holds BS and MBA degrees with honors from Ohio State University, and was a fellow in the doctoral program at Northwestern University.

Strategic Partners & Investors

- **Real 3D®, Inc.** – iviewit.com is currently engaged in a strategic partnership with Real 3D (Can we say that Real 3D is owned by Intel?) who is providing hosting, serving and technology enhancement services. Real 3D has participated in the technology evaluation phase of iviewit.com's proprietary Imaging and Video Streaming products. Real 3D has found iviewit.com's web-based products to offer an extraordinary high-resolution panoramic view capability that can have many uses in the e-commerce arena.
- **Huizenga Holdings, Inc.** - Huizenga Holdings Inc. through Investech Holdings, LLC is the founding equity partner of iviewit.com. Huizenga Holdings Inc. brings a strategic portfolio of Internet investments and businesses, which has helped fuel the expansion of iviewit.com's video and imaging technology.
- **Armstrong Hirsch Jackoway Tyerman & Wertheimer** - Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C. is one of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting iviewit.com in developing the business structure of the Company.
- **Proskauer Rose** - Proskauer Rose LLP is one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients through the United States and around the world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.
- **Meltzer Lippe Goldstein & Schlissel, P.C.** -- The firm's focus is providing legal and business-related services to high-technology companies. These services include public offerings, venture financing, mergers and acquisitions, executive compensation

strategies, tax structuring, intellectual property audits, patents, patent licensing and corporate and intellectual property litigation services. Meltzer Lippe practices in more than 20 legal disciplines and acts as General Counsel to the Long Island Venture Fund, Newlight Associates, L.P., and LISTnet, where they are also a Founder. The firm served as outside General Counsel to Cheyenne Software, Inc. until it merged with Computer Associates International Ltd.

- **@merican Enterprise.com** – More than 70% of all of Internet page views are related to health care and the health care industry. Recognizing the importance of this market segment, iviewit.com is in discussion to develop a strategic relationship for the aggregation and dissemination of health care information. @merican Enterprise.com and iviewit.com are exploring formats to make accessible health care related video and imaging content to consumers, employers, physicians, government agencies (e.g. Medicare, Social Security) and suppliers (e.g. pharmaceutical companies). @merican Enterprise.com is building a private network comprised of 262 hubs located throughout North America. In addition to the content opportunities with the countless entities who will utilize this network, iviewit.com may also gain access to @merican Enterprise's other national and international strategic alliance partners.

Iviewit.com also has an Advisory Board, Legal Counsel and Business Consultants who bring an extensive knowledge base, business connections and experience to the development of iviewit.com. Please see "Attachment B – iviewit.com's Advisory Board, Legal Counsel and Consultants" for more details.

Industry Analysis

Broadband Industry

The transmission of data intensive content over the Internet has been limited due to historical bandwidth constraints. However, the increasing availability of improved delivery systems, such as digital cable modems, T-1 lines, satellite delivery systems and

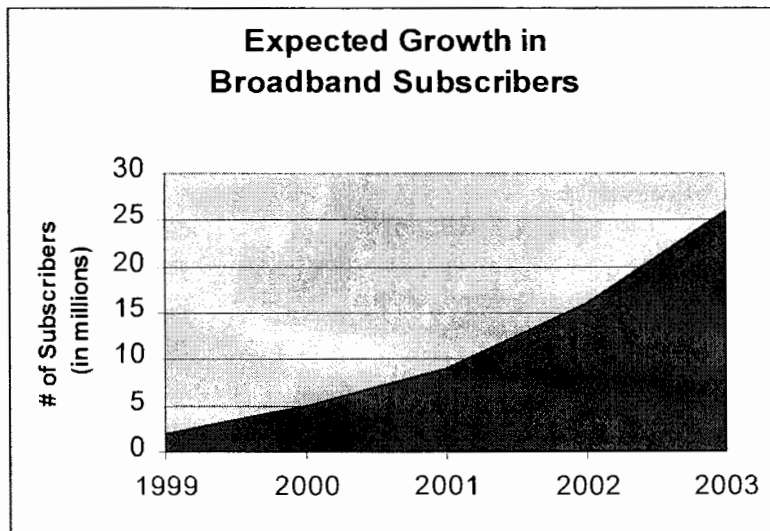


Chart 1.0 - Forrester Research and Broadband Intelligence

US cable modem subscribers are expected to increase to 3.3 M in 2000 (up from 1.6M in 1999). DSL customers (serviced by phone companies) will nearly triple to 1.4M in 2000 from 500,000 in 1999.¹ And the total number of broadband subscribers by the end of Year 2002 and 2003 is expected to be 16 million and 26 million, respectively.²

DSL networks are enabling the use of more feature-rich multimedia content. These broadband systems typically allow sustained data transfer to the user of at least 256 kilobits per second, or approximately 5 times the access speed of the fastest standard narrowband modems. (re-format fo excess space)

US cable modem subscribers are expected to increase to 3.3 M in 2000 (up from 1.6M in 1999). DSL customers (serviced by phone companies) will nearly triple to 1.4M in 2000 from 500,000 in 1999.¹ And the total number of broadband subscribers by the end of Year 2002 and 2003 is expected to be 16 million and 26 million, respectively.²

The broadband industry is drawing billions of dollars in capital investments to develop the necessary infrastructure for broadband content and delivery. The cable companies are massively marketing this existing user base to include broadband access. Similarly, the telephone companies are upgrading their lines to offer DSL access. In addition, major hardware manufacturing companies, application developers and content providers are racing to be the de facto standard for broadband delivery.

Streaming Media Industry

Multimedia streaming technology is bringing new levels of versatility, quality and simplicity to the creation and distribution of multimedia content over the Web. One measure of the growth in use of streaming media is the number of registered users posted by RealNetworks, a company that develops software used by broadcasters to stream

¹ Broadband Intelligence July 1999

² Forrester Research

multi-media content over the Internet. The first RealPlayer was released in 1995, and to date over 80 million unique users have been registered. The RealPlayer download rate now exceeds 175,000 per day, an increase of more than 270% since the beginning of 1997.

The emergence of rich multimedia capabilities, such as streaming audio and video, will continue to enhance the effectiveness of the Web as a mass communications medium and Intranets as a means to improve corporate communications. Content delivered through traditional media, such as television and radio, will be increasingly delivered over the Internet.

Digital Imaging Industry

Fundamental changes are occurring in the photography industry with the introduction of the digital camera. The digital camera allows the user to take pictures and display them digitally, either on a personal computer or over the Internet, without the need for traditional film development. Because digital cameras were initially expensive, early adopters of this technology were Professionals and hobbyists. Recently, sales of digital cameras have grown substantially due to improved performance and lower unit prices. IDC forecasts that worldwide digital camera shipments will grow from 2.7 million units in 1997 to 29.5 million units in 2002. (reference AOL's "I've got pictures" and ecommerce communities like ebay as evidence of the wide use of digital images over the internet)

Companies are increasingly using digital imaging to effectively promote their products ~~and present information~~ on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat two-dimensional images offering a limited field of view. Technological innovations that enhance realism and interactivity and contribute to a viewer's retention to that web site will facilitate the success of e-commerce by ~~potentially~~ leading to increased sales and advertising rates. { This next sentecnce does not fit here...maybe it gets incorporated above with streaming?} Webcams and streaming video are some of the technological innovations businesses are using to attract and retain visitors to their web sites. Specifically, immersive imaging, or the ability to create the viewing perspective of being inside the image, is becoming increasingly popular with many web sites. However, image creation with many of the existing immersive technologies is labor intensive and requires proprietary hardware. Conditions such as inadequate lighting, subject motion or lack of portability reduce the effectiveness of the image. As a result, market acceptance of these technologies has been limited.

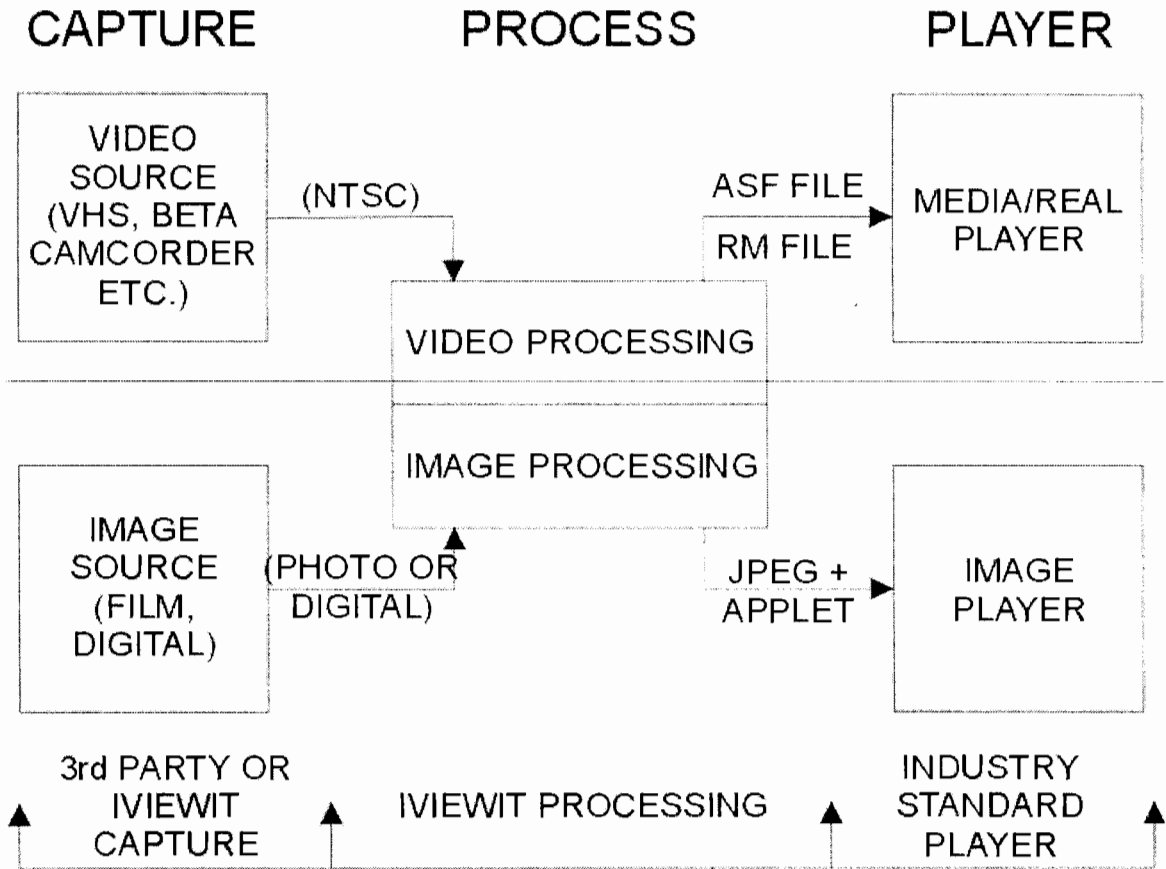
In order for widespread adoption of immersive imaging by businesses and consumers to occur, new immersive technologies must offer the following benefits:

- Ease of creating and viewing an image
- East of distributing and sharing the image
- Portability of the capture device
- Cost effectiveness
- Use of standardized technology

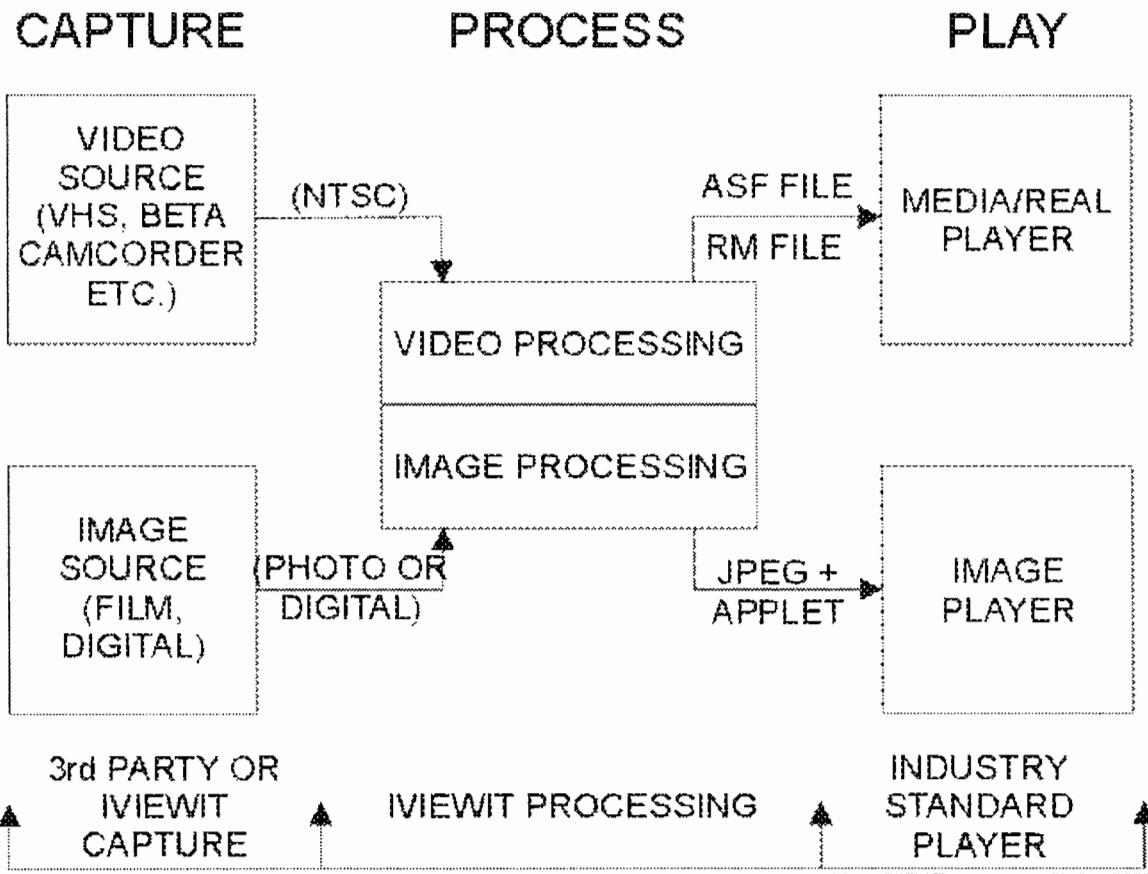
- Platform independence

(How does iViewit's technology play into those requirements?)

IVIEWIT PROCESS TECHNOLOGY



IVIEWIT VISUAL MEDIA PROCESSING



Can we improve the above image; color, background etc. (Elliot?)

Video Streaming

Streaming video is the most ~~challenging~~ exciting form of content distribution over the Internet and has challenged the industry since the inception of the concept several years ago. Current processing techniques yield pictures that are small, jerky and fuzzy. Motion is a particular problem because the image refresh process tends to produce highly distorted pictures. iviewit.com has succeeded in producing VHS like quality video over broadband networks and significantly improved modem speed results. These results are obtained while minimizing the bandwidth required for the streaming video event.

The payoff flows both to the viewer and the provider. The viewer sees a much more acceptable picture and the provider is able to optimize the total amount of communications bandwidth available. ~~may be utilized~~. Internet ready streaming digital files are produced from virtually any source creating NTSC (US) compatible or IEEE 1394 firewire interfaces. Other modality such as PAL or SECAM can be accommodated.

The output digital files are MS Media Player or RealNetworks Real-Player compatible. Individual files are produced for either modem or broadband use and designed to minimize the amount of bandwidth required to produce the highest possible quality image. -- Processing times range from 3X to 6X the playtime of the video depending upon the length of the video and the output file. The proprietary process is extendable to include video acquisition. Even though this phase is not a pre-requisite, improvements in final video quality are attainable by using iviewit.com's *total video process*. (briefly describe) (does this go in a future product development section) ~~A TV interface adapter is planned which allows a PC monitor output to be connected to a TV set. Using a TV in this way further enhances the quality of the video since a TV set is optimized for displaying video images.~~

Digital Imaging

iviewit.com offers a wide range of "over the web" high quality, full screen imaging technologies. Images processed by iviewit.com can be viewed with range from stills to zoomable and panoramic images of up to 360 degrees, with very high levels of zoomability. Images produced by iviewit.com's proprietary process are identical in quality regardless of speed on the end-user's Internet connection speed. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. Output file sizes typically range from 30KB to 400KB for a full 360-degree panorama. Source material may be conventional emulsion type film or digital. Special photographic techniques are employed to ensure the final quality of the process ("garbage in, garbage out"). Unlike conventional web-ready images which become severely distorted after magnification attempts of just 1-2 times, iviewit.com processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. Real 3D have reviewed the imaging process and results, and their comment from their review was "superb" and "elegant". (They are a strategic partner; validate their competence to make such a statement)

These are the types of digital images that iviewit.com can create with its technology:

- **Single shot** - A single photo frame. Used for simple flat scenes or objects.
- **Quarter Pan and Zoom** - Typically 3 photo frames stitched together to provide a wide perspective and up to a 90 degree camera sweep angle. Used for small rooms or wide objects.
- **Half Pan and Zoom** - Typically 6 photo frames stitched together to provide up to a 180 degree panoramic camera sweep angle. Useful for panning a room from the center of a wall.
- **Three quarter Pan and Zoom** - Typically 10 photo frames stitched together to provide up to a 270 degree panoramic camera sweep angle. Used for a wide panorama or a large room taken from a corner or offset from the center.
- **Full Pan and Zoom** - Typically 13 - 16 photo frames stitched together to provide up to a 360 degree panoramic camera sweep angle. Used for a full outside panorama or a large room from the center of the room.

Proprietary Technology and Patents Pending

iviewit.com has an extensive portfolio of proprietary technologies in the fields of image and video data processing as well as proprietary technology for network delivery systems for delivering its proprietary image and video data and information from a network-based computer platform.

To date, iviewit.com, through its founder Eliot Bernstein, currently holds eight patents pending in the fields of image and video processing, image and video file transmission over a communication network, and video data processing and transmission in a communication network. iviewit.com is aggressively seeking to procure patent protection in the United States and abroad for its patent pending technologies.

iviewit.com has adopted a two-prong approach to building an extensive patent portfolio. The Company plans to continue aggressively developing and seeking patent protection for its own proprietary technologies. iviewit.com will further seek to improve upon existing technologies as these technologies come to the market. While patent pending status does not, in itself, guarantee that a patent will ultimately issue, or that an issued patent will not face a judicial challenge in the Courts or an administrative challenge in the U.S. Patent & Trademark Office, iviewit.com believes that the pending claims in its patent applications are well supported and will provide iviewit.com with broad patent protection. iviewit.com further believes that its proprietary technologies, and related trade secrets, provide it with a substantial competitive advantage.

Future Development

(bring in the TV adapter)

Extensions of the current technology are planned to provide similar improvements in videoconferencing. Early testing has validated the feasibility of these extensions and funding will provide the resource necessary to complete the development work. It is estimated that a product could be ready to market within 6 – 9 months from funding.

iviewit.com's goal is to maintain a leadership role in visual technologies and continued research and development will be employed to this end. iviewit.com's product output will stress user friendliness, superior picture quality and effective presentation for the experience by the end user.

Product and Services Offered by iviewit.com

In order to provide its customers a full range of services to create and offer quality video and images over the Internet, iviewit.com offers the following products and services:

- ***Site Licensing for the Distribution of iviewit.com Product.*** (copy changes from earlier) Each site distributing iviewit.com visual media product must license the technology. The licensing fee will be either an up front annual fee or will be included in the price of each product.
- ***Image and Video Processing.*** Priority and standard processing is provided. Priority processing guarantees a next day delivery by ftp to the customer or iviewit.com site. Standard delivery is within 5 working days. Processing is semi

automated and requires little hands-on effort. Capacity is readily scalable to several hundred videos per day with moderate capital investment.

- ***Web Hosting of Image and Video Content, Linked to a Client's Site.*** This is an extension of the current web site. Seamless linking is a well-established Internet technique and has been validated by *iviewit.com* testing with prospective customers.
- ***Photographic or Video Recording Services.*** *iviewit.com* retains the services of a large number of professional videographers in order to handle customer requirements.
- ***Web Site Creation and Hosting.*** Professional designer support is available through *iviewit.com*'s subcontract with Real 3D and other web site specialists. This service is not expected to be a major part of *iviewit.com*'s business.

Market Opportunity & Penetration Strategy

Market Opportunity for Video Streaming

Streaming media is now the most widely used application after browsers and online programs like AOL on the Internet... and it is growing exponentially. Microsoft's Media Player, RealNetworks suite of players and Apple's Quick-Time Player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, *on demand*.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies mentioned above. iviewit.com's suite of technologies will positively affect and benefit all of these parties.

- **End Consumers** – For consumers who have a broadband pipe in their homes, streaming video is the “killer app.” The promise of rich visual content defines the reason for paying between \$40 - \$50 per month for the increased bandwidth. It means that consumers can *see* the entertainment, news, product commercials, infomercials and education videos they want at near TV quality. That promise will be maximised fulfilled, at last, by the proliferation of content delivered through and with iviewit.com. The companies responsible for providing the infrastructure for broadband recognize the importance of promoting enabling technologies and driving media rich content to the web. Their paradigm has shifted to include content creation as a significant element of their overall strategy. Greater availability of quality content on the web will increase demand for the pipes necessary to view it. Similarly, the popularity of software applications that “play” the content files will increase dramatically as iviewit.com's technology will enhance any media player operating on a broadband network and provide video quality full screen streaming media.
- **Business to Business (b2b) E-Commerce Sites** - For b2b e-commerce sites, iviewit.com's technology will provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product manuals through iviewit.com's proprietary system, business e-commerce sites can leverage their video and image_investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality visual experiences. Licensing these b2b sites will be a primary market focus for iviewit.com's technology.
- **Intellectual Property Owners** - For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues etc., iviewit.com's technology means that video streaming can finally become a revenue source. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for the small screen, grainy content prevalent on the web today and the pipeline required for serving these files is expensive. iviewit.com's

technology provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and reducing the digital stream size required to serve them. These solutions are at the core of iviewit.com's competitive market advantage.

- **Digital Distributors** - For digital video distribution companies, iviewit.com's technology is extremely attractive because it reduces the required file size to be streamed by approximately XX%. This technology will decrease the cost to business e-commerce sites and intellectual property owners, thus making it more economical and causing an increase in demand for digital video distribution.

In summary, the marketing potential for iviewit.com's technology is substantial. The Company will engage in a high profile launch campaign designed to build awareness for its technology with all the key market influencers and then concentrate on a licensing program to populate its technology among b2b and b2c ~~internet~~Internet sites.

Market Opportunity for Digital Imaging

(this is an exact repeat from earlier...is there a reduction possible?)

Companies are increasingly using digital imaging to promote their products and present information on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat and two-dimensional offering a limited field of view. The alternative, immersive imaging (the ability to create the viewing perspective of being inside the image), is becoming increasingly popular with many web sites, but is still labor intensive, requires proprietary hardware and severely distorts the image after magnification of 1-2 times.

In contrast, iviewit.com's technology allows for high quality, full screen imaging with zoomable and panoramic images of up to 360 degrees with very high levels of zoomability. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. iviewit.com processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. Plus the process, which requires only ?? minutes per image, is not labor intensive and can be quickly completed. As a result, iviewit.com will offer higher quality technology and lower image processing costs than its competitors.

Market Penetration

iviewit.com has already begun to sell its technology to various corporations and is currently in negotiations with the following potential clients:

- | | |
|---|---|
| <ul style="list-style-type: none">• 2500 Partners• 3Com• @merican Enterprise.com• Armstrong Blum Manufacturing• Atlas Entertainment | <ul style="list-style-type: none">• Internet Entertainment Group, Inc.• KidsCamp.com• Lovemate.com• Machineweb.com• Playboy |
|---|---|

- | | |
|----------------------------|-------------------------|
| • Big Entertainment, Inc. | • Sportsline.com |
| • Boca Resort & Beach Club | • Thehealthnetwork.com |
| • Centrack | • University of Florida |
| • Divine Interventions | • Versifi |
| • Ezlinksgolf.com | • Webcasts.com |
| • Hyatt Hotels & Resorts | • West Palm Beach Lexus |

iviewit.com has identified various markets to target with its imaging and video streaming technology. (Please see Attachment C titled "Potential Markets for iviewit.com's Video & Imaging Technology" for a list of target markets.) ~~Initially, To date,~~ iviewit.com has ~~mainly targeted~~ entered into licensing discussions with firms in the Automotive, Health Care, Executive Search, Modeling, Casting and Dating Services industries.

~~Because Video streaming and still image enhancement this is~~ are nascent markets and there are no benchmarks for pricing ~~iviewit's proprietary technology enhancements.~~ Therefore, the company has ~~based its licensing strategy and product penetration, the company has based its planned market penetration strategy and business model (outlined in the next two sections) in~~ from the following information:

- iviewit.com's contract negotiations with current clients
- iviewit.com's understanding of what companies are willing to pay for this technology, including the business economics of a given industry

iviewit.com has also based its pricing based on the fact that there are currently no direct competitors to its technology. However, as competition prevails and market conditions change, iviewit.com's pricing will adjust accordingly.

iviewit.com realizes that the needs and budget for each company and indeed across industries vary tremendously. In response to this, iviewit.com will need to specially craft a licensing contract with each company. However, the following pricing strategy gives an overall projection of what companies on average will be charged for iviewit.com's video streaming and imaging products and services.

Pricing - Video Streaming

iviewit.com will require an annual license to process a video source into an iviewit.com file to be streamed over the Internet. The licensing fee will depend on the number of distributed servers that the company uses for its web site. The rationale behind this is that the license fee should be greater if the technology is being used and exploited by a larger number of users. And generally, web sites that have larger number of users require additional distributed servers. iviewit.com has decided to use distributed servers as a usage benchmark (instead of number of hits to the web site streaming the video) because of the ease relative in benchmarking the fee to clients. case in auditing their use. (I would stay away from auditing..I think we need to establish a license fee at the beginning of each term...and then review it at the time of renewal; this allows a company to budget for the technology at the outset and then not think about it until a second year; it will increase the adoption...discussed with Brian and Elliot Monday and thet agreed!!)

iviewit.com will also charge a per minute fee for the processing of the video. Depending on the needs of the client, the processing of the video will vary greatly. For example; an advertising agency focused on optimizing :30 and :60 spots will have vastly different requirements than a worldwide hotel chain with three to five minute infomercials on each property. Additionally, there are different levels of processing costs associated with the image quality required by the client. For a client that does not require frame by frame additional touch-ups analysis to its video (i.e. a video segment on a local community college), the amount of labor to process the video is minimal and the cost will be approximately \$5 a minute to process. For clients who require frame by frame processing for their video, iviewit will charge incremental fees priced to account for the time and labor involved. (Brian and Elliot---lets be careful...This does not make sense as currently written. A video with 1,000,000 investment per minute doew not have "flaws"; the question becomes the real sweet spot for iviewits technology process and what precision is required; help! we need clarity here) However, for a company that has invested large amounts of money in a commercial advertisement (i.e. a Volkswagen eommercial for the VW Bug), the inherent flaws to the video can be touched up by iviewit.com. This process will be extremely labor intensive, and its "benchmark" may approximate \$50,000 (??) a minute to process. Normal delivery schedule is 5 working days for processing video.

(I do not think we should "host" anything in retrospect. Lets talk about an alliance with a hosting company; take a referral fee, and move on. There are too many companies investing in this space with core competency and pricing advantages; we should not be one of them)

Although not a core part of its business, iviewit.com will offer video hosting for those clients who need a complete video streaming solution. The monthly storage, database maintenance and serving fee will be based on the number of gigabytes hosted by iviewit.com. On average, it is expected that most sites will require XX gigabytes of storage and streaming. The company sees this pricing model as part of its overall plan to identify and "brand" iviewit.com as a total solution service-oriented and focused business for its clients to the consumer and end user. Iviewit.com will outsource this service with several partners accordingly to the scope and scale of the client requirements

The following outlines the approximate fees for licensing the technology and video processing. video processing and video hosting:

Video License Charges:		First year	Following years
	Video and image master server	\$25,000	\$22,500
	1st distributed server	\$12,000	\$10,800
	Additional distributed servers	\$8,000	\$7,200
Video Processing		\$/min.	
	Processing of VHS or S-VHS tape to video player format	\$5.00	
	Processing of VHS or S-VHS tape to video player format with frame editing	\$50,000	
Video Hosting, Monthly Charges		\$/GB/mo.	
	Storage and Data Base Maintenance	\$12.00	
	Serving Fee	\$35.00	

(processing language for second line is awkward; we need to articulate the difference between frame by frame and non-f2f; and it begs the question of our process and how it works; this is tricky and needs a discussion—I would make line 2 ; the 50,000 # TBS client requirements)

Pricing - Imaging

Similar to its video streaming technology, iviewit.com will also require an annual license fee to process a still images to a zoomable and/or panoramic *iviewit.com* digital image. Plus, the licensing fee will increase with additional distributed servers used by the company.

In addition, if the client requires, iviewit.com will arrange for hosting of the images through its strategic alliance with (x) and collect a referral fee for the service.

iviewit.com will offer a turnkey suite of services to its customers that include: capture, process and hosting the images for its customers. The price of these services will depend on the type of image that iviewit.com creates. (Please see the section titled "Digital Imaging" under the Product and Service Description for details on the types of images iviewit.com can create.) In addition to this per image processing fee, iviewit.com will also charge a monthly fee for the number of connections made to the site. The site connection rate will be tiered and the monthly minimum fee will be \$150. This whole paragraph is, in my opinion, confusing as it sits here. I would delete it.

The following outlines the approximate fees for licensing the imaging technology, capturing, processing and hosting, and connecting to the site: (again; I would distance my CORE pricing for licensing the technology from the out sourced serving of the images. As it is presented here; an investor could think it is part of your core business strategy instead of a service/solution for those who need it.

Image License Charges:		First year	Following years
Image only master server		\$1,800	\$1,620
distributed server		\$800	\$720
Image Capture, Processing and Hosting:		Each	
Single shot		\$68	
Quarter Pan and Zoom		\$225	
Half Pan and Zoom		\$435	
Three quarter Pan and Zoom		\$655	
Full Pan and Zoom		\$855	
Monthly Charge Schedule Based on Site Connections:		Rate \$	
	Schedule 1 - 1 to 4,999 hits	0.10	
	Schedule 2 - 5,000 to 9,999 hits	0.07	
	Schedule 3 - 10,000 to 24,999 hits	0.05	
	Schedule 4 - 25,000 + hits	0.03	
Monthly minimum of \$150			

Launch Strategy- A Worldwide episodic miniseries made for the Internet

In order to receive generate tremendous market visibility and prove the commercial value of iviewit's technologies to the required visibility from consumers, business e-commerce sites, intellectual property owners, digital distributors and Wall Street, iviewit.com plans to launch its video streaming technology with a high profile entertainment event. iviewit.com is currently in discussions with the producers of "i.m.Nomad" to use iviewit.com's technology to stream this revolutionary made for the internet episodic mini-series. Plus, iviewit.com will receive significant recognition as the technology driving the high quality video streaming.

The following is a description of the event:

i.m.Nomad is a breakthrough short-form, entertainment mini-series consisting of 15 four-minute episodes and crafted for the Internet. In these cliff hanger episodes, the Nomad plunges three stunningly beautiful women into a world where meaning and truth are elusive. Part adventure story and part surreal experience, the Nomad journey immerses views in a world of wonder and sensual beauty. These erotic, episodic and wholly interactive stories, combined with behind-the-scenes footage, will form the basis for a one-hour pay TV special and DVD release.

i.m.Nomad stars three of the world's most high profile and successful supermodels: *Sports Illustrated* cover girl Heidi Klum, Chanel spokesperson Estella Warren and *Victoria's Secret* model Rachel Roberts. These internationally recognized beauty stars will perform for the first time ever in the nude. Each will assume a different identity, which will be characterized with stylized, signature body art. Heidi Klum, Estella Warren and Rachel Roberts will actively promote the venture in all forms of media as part of an orchestrated worldwide campaign, which includes: Internet viral marketing and magazine, television and radio interviews.

iviewit.com feels the concept and demographic of this mini-series best targets its consumers. This Internet Event is targeted towards ~~mini-series will attract mainly~~ a male audience, which is reflects the current majority of broadband users. ~~Also, The~~ the extension of the mini-series over 12- 15 weeks allows significant opportunity ~~more time~~ for PR and major promotions.

~~Another~~ Additional launch initiatives being considered by iviewit.com is to forge strategic alliances with Pay-Per-View companies to produce live events with well-known artists such as Billy Joel, CSNY and Dixie Chicks.

Competitive Analysis

Streaming Media

There are no direct competitors to iviewit.com in the streaming media industry. Software providers, digital distributors, content

Industry	Company Examples
Software Providers	MS Media Player, RealNetworks
Digital Distributors	InterVU, iBeam
Content Providers	Broadcast.com, AtomFilms.com, Den.net
Encoding Services	Loudeye, Sonic Foundry, VideoDome.com

Table 1.0 – Potential Strategic Partners or Licensees

providers, and encoding services will benefit from the increased use of iviewit.com's technology and potentially could be strategic partners or licensees.

Although a truly different product than iviewit.com's, encoding services can be considered indirect competitors. The following describes the key companies in the encoding industry:

- **Loudeye** – Loudeye, originally encoding.com, is a provider of digitizing and encoding services. The company offers expertise in streaming media production and delivering high-quality, cost-effective output. Loudeye's Optimized Encoding Process™ and proprietary software offers a robust solution for media compression. Loudeye has converted more than 500,000 minutes of audio and video to Internet-playable formats. The company's partnership with platform developers such as Microsoft, Apple and RealNetworks allows first-to-market technologies and codec support.
- **Sonic Foundry** - Sonic Foundry, Inc. is a provider of PC-based software products that enable users to easily work with and edit digital media. Sonic Foundry's products are used worldwide for multimedia and Internet applications, music and audio post-production, broadcast production, and digital content creation. Sonic Foundry's products and services offer media consumers the ability to capture and create media, edit the content, and deliver the information via fixed media or electronic distribution. The Company's products are designed to run under both the Windows and Windows NT operating systems.
- **VideoDome.com** – VideoDome.com is a provider of Internet video OnDemand solutions. Using its InstaStream system, the company enables the conversion of standard video footage to video on demand. VideoDome.com offers inexpensive and automated solutions to broadcasting media either via a listing in the VideoDome OnDemand Channel Directory, your own existing web site, or a dedicated channel with various features including chat, user subscription options and client customization. Videodome.com garners over half a million OnDemand video requests across its networks every month.

(Can we include a matrix like the one in Digital Imaging, to compare these competitors with iviewit.com's video streaming technology?)

Digital Imaging

There are various companies offering digital imaging services over the Internet. However, as described in the Product and Services section, iviewit.com offers full screen higher quality images that are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. None of iviewit.com's competitors can provide this type of quality imaging.

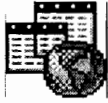
The following describes the major competitors to iviewit.com in the digital imaging industry:

- **Bamboo.com** – Bamboo.com provides virtual tours of real estate properties for sale or rent in more than 100 metropolitan areas across the US and Canada. The tours allow users to view the inside and outside of properties, panning right and left or zooming in for a better look. Bamboo.com charges real estate agents a one-time fee to videotape a property, convert the videotape into a virtual tour, and distribute the tour through Internet sites or e-mail. The company markets its tours through agreements with Web sites such as REALTOR.com and HomeBuilder.com.
- **Interactive Pictures Corporation (IPIX)** - Interactive Pictures puts you in the picture. The company's IPIX technology is used by travel and hospitality (Marriott), publishing (New York Times), real estate (ERA), education (National Geographic), and entertainment (Disney) companies to enhance multimedia content, interactivity, and e-commerce on Web sites. Its Wizard software (sold on a per-use basis) converts two photos taken with a digital camera into one IPIX image. The company also sells IPIX-ready digital cameras and accessories and offers multimedia services. Interactive Pictures, whose shareholders include investor Lee Martin, Motorola, MediaOne, and GE Capital, is merging with Bamboo.com.
- **Live Picture / MGI Software** – Live Picture, Inc. (LPI) provides Internet imaging and is the inventor of zoomable images for the Internet. Live Picture develops and sells a complete suite of image servers and Internet and consumer applications based on its Zoom image technology. Live Picture products are used for creating, managing, and distributing highly detailed images for network and print applications. Live Picture offers several viewing options, including its patent-pending Universal Viewing technology, which requires no special client software, as well as Java applets and plug-ins for advanced viewing and high-resolution printing. With Live Pictures servers, images download quickly, even over typical modem connections, because they're based on Flashpix and the Internet Imaging Protocol (IIP); open standards invented by Live Picture to rapidly stream images, regardless of size.
- **Ulead Systems, Inc.** – Ulead Systems was founded in 1989 to develop and market Windows-based imaging and video production tools that empower people to share their ideas and memories more easily and creatively. Their mission is to provide easier, faster and superior imaging, video, 3D and Internet software for business and personal communications. Ulead products serve millions of users worldwide and have won extensive industry recognition.

Timeline

Date	Milestone
First Quarter 2000	Close the Next Tranche of Financing
	Secure Content for Launch of iviewit.com
	Begin Viral Marketing Campaign of iviewit.com
February – April, 2000	Hire Additional Key Executives and Staff
April 15, 2000	Official Marketing Campaign Begins
	Sales & Marketing Team Approaching Potential Clients
May 15, 2000	Official Launch of iviewit.com
?	Close the Next Tranche of Financing
Mid - Late 2001	Exit Strategies May Include: IPO, Partnering with Another Company, Spin-off of Technology Application and/or Create Multiple Companies for Different Markets

Attachment A – Financial Statements



"Iviewit Financial
Projections 1.1.xls"

company. Mr. Socolof has created national branding events and campaigns for the world's largest and most important intellectual property owners including MTV, Pepsi, Nintendo, Proctor and Gamble, SC Johnson, Anheuser-Busch, Apple Computers, Philips Electronics and many other top tier entertainment and global consumer products organizations.

- **Mike McGinley** – Mr. McGinley is the founder of SRO Consultants, a Los Angeles based international consulting firm that provides a wide range of business and management services for the entertainment and music industry. SRO Consultants provides strategic consulting and marketing/cross promotions to industry leaders such as Microsoft, DirecTV, Best Buy, InterVU and Music Choice. Additionally, SRO handles tour accounting for more than 100 major clients including Sting, Neil Young, the Rolling Stones and Tom Petty. Mr. McGinley is a Certified Public Accountant who received his B.A. in business administration from the University of Montana.
- **Eric Chen** - Mr. Chen has spend much of his career in the field of investment banking where he has specialized in advising, financing and guiding the growth strategies of many health care companies. His areas of expertise include biotechnology, medical diagnostics, and new emerging drug technology and delivery systems. He has served as an analyst, Senior Vice President and Managing Director for several Wall Street firms including Furman Selz, Hambrecht & Quist, Fechter Detwiler and Southeast Research Partners. Much of his activities have focused upon early stage growth companies in both the public and private sectors. He has analyzed companies in a wide variety of industries, which include vision care, telecommunications, computer storage, software applications and data management. Mr. Chen is the President of Emerald Capital Partners, which he co-founded with Mr. Buchsbaum, since his departure from Southeast Research Partners in early 1999.

Attachment C – Potential Markets for iviewit.com’s Video & Imaging Technology

Market	Video	Image
3D Graphics		X
Advertising	X	X
Art		X
Automotive *	X	X
Commercial Properties	X	X
Computer Games	X	X
Entertainment	X	X
Executive Search, Modeling, Casting & Dating Services *	X	X
Health Care *	X	X
High value Auctions	X	X
High-end Luxury (e.g. Boats & Airplanes)	X	X
Hotels & Resorts	X	X
Image Libraries		X
Medical Imaging	X	X
Military & Government	X	X
Residential Properties	X	X
Software applications	X	
Sports	X	X

* iviewit.com is actively pursuing these markets

Epstein, Alan

From: Eliot [eliotb@hal2000.iviewit.com]
Sent: Sunday, January 16, 2000 3:00 PM
To: Kathy Yeung; utley_b@bellsouth.net; alps@netline.net
Cc: meganyc@aol.com; Brian; Christopher C. Wheeler (E-mail); Christopher C. Wheeler (E-mail 2); Alan J. Epstein (E-mail)
Subject: RE: Outstanding Points for the Business Plan

my answers are underneath the questions

-----Original Message-----

From: Kathy Yeung [mailto:kathyyeung@sroconsultants.com]
Sent: Thursday, January 13, 2000 8:01 PM
To: utley_b@bellsouth.net; alps@netline.net
Cc: meganyc@aol.com
Subject: Outstanding Points for the Business Plan

After my discussion with Maurice, there is more information that I will need for the business plan:

1. The Confidentiality Statement that I have at the beginning of the business plan is one that I just used from another company's business plan I did. Could you please have your legal counsel look at it, or have them give me something that would be more applicable to iviewit.com?

Chris Wheeler cwheeler@proskauer.com and epstein should be able to come up with a doc

TZ
iviewit /
business plan

2. Based on the corporate structure (i.e. iviewit.com Holdings, Inc., iviewit.com Technologies, iviewit.com Inc.), we will need to explain the role of each of these three entities. I would imagine that your legal counsel that set up your structure has descriptions of each of these three entities. Could I please get these descriptions?

send to wheeler

3. In the Competitive Analysis for Video Streaming, could we create another Competitor Table that compares the attributes of iviewit.com's technology with Loudeye, Sonic Foundry, and VideoDome.com? Eliot, I'm guessing that you probably know the most about the differences in the attributes. If you just give me the characteristics, I can build the table.

quality of product is poor even at high speeds

4. For Real 3D, can we put that it is owned by Intel? It will lend more credibility to the company, since most people won't be familiar with it.

Currently they have not released the Intel statement, so I would use that they are owned by Lockheed, SGI and Intel which is the current structure of the company

I am collecting feedback from everyone right now and incorporating them into the business plan. I spoke with Eliot and he said that Jim Armstrong would be getting me market penetration numbers by next Monday. That is the last piece of information I need so that I can finish the Financial Analysis and Market Penetration Strategy. If I can get that info early Monday, hopefully I can turn around a 1.5 Version by the end of Monday.

Brian said he would have this info Saturday

If you have any questions, please feel free to call me. Looking forward to your comments.

Best,
Kathy

Epstein, Alan

From: Kathy Yeung [kathyyeung@sroconsultants.com]
Sent: Wednesday, January 12, 2000 6:04 PM
To: kathyyeung@sroconsultants.com; caroldr@att.net; utley_b@bellsouth.net; alps@netline.net; aepstein@ahjtw.com; heather@megalv.com; meganyc@aol.com
Subject: Business Plan Version 1.4

Iviewit Business Plan

Version ...

This copy of the business plan includes pricing information. We are still working on getting market penetration projections, thus the financials are not yet completed. However, I have updated the financial spreadsheets, and the sections that are marked yellow still need to be filled in in order to complete the financials.

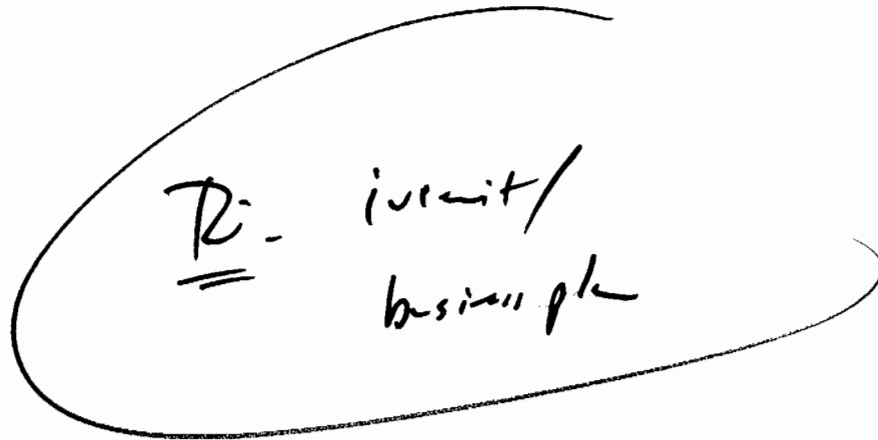
Please review and I would like to begin getting specific comments back on the business plan. Therefore, if everyone could open the document, enable the edit feature on the document, just type in your comments/edits, and email the file back to me, I would appreciate it.

For those of you not familiar with the edit feature, just open the Word document, go into Tools, Track Changes, Highlight Changes, and then make sure that "Track Changes While Editing", "Highlight Changes on Screen", and "Highligh Changes in Printed Dcoument" are all marked. After making the edits, save the document with your name at the end (so I can keep track of everyone's edits), and just send it back to me. I would like to get everyone's comments by the end of tomorrow (Thursday).

We are still hoping to have a finished document by the end of the week, so everyone's quick response is encouraged and appreciated.

If you have any questions, feel free to call me.

Best,
Kathy



R: iviewit/
business plan



Iviewit.com, LLC Business Plan

Contact Information:

Brian G. Utley, President & COO

Iviewit.com

One Boca Place

2255 Glades Road, Suite 337W

Boca Raton, Florida 33431

561-999-8899 ext. 304

brian@iviewit.com

Confidentiality Statement

This business plan and the exhibits hereto (collectively, the “Plan”) have been submitted on a confidential basis for use by a limited number of sophisticated investors or acquirers (the “Investor(s)”) solely for, and should be used only in connection with, an Investor’s consideration of an investment in Iviewit.com LLC, (the “Company”). Its use for any other purpose is not authorized. Any reproduction or distribution of the Plan, or re-transmittal of its contents, in whole or in part, without the prior written consent of the Company is prohibited.

This Plan contains certain information of a highly confidential nature, including projections by the Company’s management of the Company’s performance and other material of a forward-looking nature. The receipt of this Plan constitutes an agreement on the part of the recipient hereof to maintain the confidentiality of the information contained herein or any additional information subsequently delivered in connection herewith. Investors who accept this Plan or become aware of the information contained herein must understand and comply with the extensive restrictions imposed by Federal and State securities laws upon their ability to disclose information contained herein to others or to participate in or otherwise effect or facilitate any transaction relating to any securities of the Company. Investors who cannot comply fully with such restrictions should not review the information contained herein and should immediately return this Plan to the Company.

Name

Company

Date

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Executive Summary

Concept

Iviewit.com has developed a state-of-the-art proprietary technology enabling full screen, TV quality streaming video and digital imaging for the Internet. The streaming video can be seen by both broadband and modem users with no download time required. The digital imaging allows for full screen still images or panoramas that can be magnified with minimal image distortion. Iviewit.com has protected its technology by filing and securing eight patents for its video streaming and imaging technology.

Benefits of Iviewit.com's Technology

With the incredible current and future expected growth of the broadband industry, Iviewit.com is ideally positioned with its technology to capitalize on this opportunity. Quantify the cost benefits of the technology. Explain that it runs 50% - 80% more efficient.

Product and Services Offered

Iviewit.com offers the following products and services:

- Site Licensing for the Distribution of Iviewit.com Product. Each site distributing Iviewit.com visual media product must license the technology. The licensing fee will be either an up front annual fee or will be included in the price of each product.
- Image and Video Processing. Priority and standard processing is provided. Priority processing guarantees a next day delivery by ftp to the customer or Iviewit.com site. Standard delivery is within 5 working days.
- Web Hosting of Image and Video Content, Linked to a Client's Site. This is an extension of the current web site. Seamless linking is a well-established www technique and has been validated by Iviewit.com testing with prospective customers.
- Photographic or Video Recording Services. Iviewit.com retains the services of a large number of professional videographers in order to handle customer requirements.
- Web Site Creation and Hosting. Professional designer support is available through Iviewit.com's subcontract with Real 3D and other web site specialists. This service is not expected to be a major part of Iviewit.com's business.

Market Penetration Strategy & Launch

Iviewit.com is currently negotiating its products and services with major corporations such as Hyatt Hotel & Resorts, Americanenterprises.com, 3Com, Playboy, University of Florida, and Sportsline.com. The response to the technology and pricing has been overwhelmingly positive. There are many markets for Iviewit.com to target, however initially, the company is focusing on the Automotive, Health Care, Executive Search, Modeling, Casting and Dating Services industries.

Iviewit.com plans to launch its video streaming technology with a high profile entertainment event called i.m.Nomad. The event is a mini-series consisting of 15 four-minute episodes starring successful supermodels Heidi Klum, Estella Warren and Rachel Roberts.

Management Team

Iviewit.com has a strong, well-experienced and diversified management team, Board of Directors, and Advisory Board. Brian Utley, President and COO, has been involved in the computer industry since 1955, 37 years of which were with IBM. He has been in senior management and executive positions since 1965 culminating in his responsibility as Vice President and General Manager of IBM Boca Raton with a population of over 6,000 professionals. The Board of Directors and Advisory Board is equally well experienced with backgrounds in running large corporations, developing technology, dealing with patent and business legal issues, financing start-up companies and preparing companies for an IPO.

Strategic Alliances

Iviewit.com has developed strong strategic partnerships with Real 3D, a well-respected technology company, and with Americanenterprises.com, the leading portal for the aggregation and dissemination of health care information. Real 3D is providing hosting, serving and technology enhancement services. In addition, Real 3D has performed a technology evaluation phase of Iviewit.com's imaging and video streaming technology, in which they found it to be "superb". With Americanenterprise.com, Iviewit.com will make health care related video and imaging content accessible to consumers, employers, physicians, government agencies, and suppliers. In addition to the content opportunities with the countless entities who will utilize this network, Iviewit.com will also gain access to Americanenterprise's other national and international strategic alliance partners. Iviewit.com has also created alliances with various business and patent law firms.

Financial Analysis

- Approximate overhead expenses
- Profit, return rates
- When iviewit.com expects to break-even
- How much money iviewit.com is looking for in this round of financing
- Iviewit.com's plans to do an IPO by the end of Year 2001

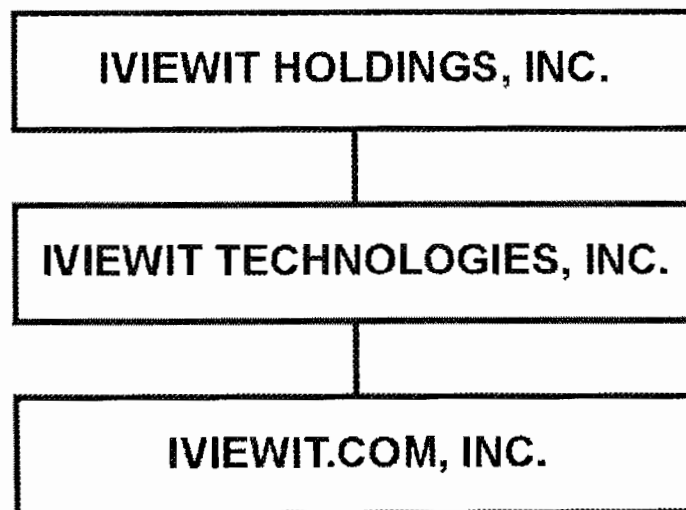
Company

Company Background

Iviewit.com, Inc., located in Boca Raton, Florida, was formed in 1999 under the laws of the state of Delaware. Iviewit.com was formed to research, develop, license and sell various Internet based products and services to the vast growing e-commerce market. Iviewit.com has developed a state-of-the-art proprietary technology enabling full screen, TV quality streaming video and digital imaging for the Internet. The streaming video can be seen by both broadband and modem users with no download time required. The digital imaging allows for full screen still images or panoramas that can be magnified with minimal image distortion. Iviewit.com has protected its technology by filing and securing eight patents for its video streaming and imaging technology. (Please see the section titled "Proprietary Features" under the Product Description for more details).

First funding for Iviewit.com was received by late September '99 from Huizenga Holdings, Inc. This allowed the Company to start operations in its current location in October. Since that time the Company has established its web site and digital imaging production through a sub contract with Strategic Partner Real 3D, continued development of the Iviewit.com video process and hired the initial sales staff of 3 people. The development of the video process reached its quality goals and has begun initial production. Early sales contacts and contracts have confirmed the commercial value of Iviewit.com's technology and the Company is now seeking financing to realize the potential of its products and technology.

The Company was initially formed as an LLC. Recognizing the future potential of the business, the Board authorized the conversion of the company into a 'C' corporation. This was accomplished on December 29, 1999. The corporate structure now is:



Future Plans for Iviewit.com

Iviewit.com has found the growth opportunity for its proprietary visual Internet media. Thus, once it has secured funding, Iviewit.com will focus initially on developing its video streaming business as the primary focus, building the imaging business as client needs arise.

Key Management

- **Brian Utley, President and Chief Operating Officer** - Mr. Utley has been involved in the computer industry since 1955, 37 years of which were with IBM. He has been in senior management and executive positions since 1965 culminating in his responsibility as Vice President and General Manager of IBM Boca Raton with a population of over 6,000 professionals. During his career he has been responsible for advanced technology product development on many fronts. In addition he was responsible for a number of IBM's overseas activities including product development, product management and market development. The most notable of which was the introduction of the IBM PC to Europe. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results.
- **Eliot I. Bernstein, Founder and Chief Technology Officer** - Mr. Bernstein, a graduate of University of Wisconsin, spent 15 years in a highly successful insurance career while constantly creating innovative computer based, multimedia marketing tools. During this time, Eliot created powerful and unique database and interactive multimedia marketing products. These products remain in use today to service over \$1 billion of insurance business. Eliot is accustomed to servicing only the best clients including Marvin Davis Companies and The Irvine Company. In 1998, like many entrepreneurs, Eliot chose to risk everything to pursue his dream of creating visual applications for the Internet and Iviewit.com was born. He has combined his passion for photography with a burning desire to see the Internet evolve from a text-based medium to a visual tool.

Although Mr. Utley and Mr. Bernstein's vast experience is a tremendous asset to the company, Iviewit.com understands that it needs to assemble a highly qualified and diverse management team. Once funding is secure, Iviewit.com will place the following key positions within 60 days:

- Chief Executive Officer
- Chief Financial Officer
- EVP of Sales & Marketing

Board of Directors

- **Brian G. Utley, President & COO**
- **Eliot I. Bernstein, Founder & CTO**

- **Simon L. Bernstein, Chairman of the Board** - Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over \$800 million in life premium sales. Mr. Bernstein's career in the life insurance industry began in 1965 when he became the top producer for Aetna Life and Casualty Company. He has remained in the top 5% of life insurance sales agencies since that time. Mr. Bernstein is currently a qualifying and life member of the Million Dollar Round Table.
- **Gerald R. Lewin, Director** - Gerald Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. In 1981, Mr. Lewin joined Donald Goldstein to form Goldstein Lewin & Co., which currently has approximately 30 accountants. Mr. Lewin specializes in business consulting and is highly knowledgeable in many aspects of accounting, tax and financial planning. Mr. Lewin is a member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.
- **Maurice R. Buchsbaum, Director** – Mr. Buchsbaum has engaged in corporate finance projects as a principal, advisor, consultant, director or senior managing director for the past 27 years. As a partner or senior officer of several leading investment banks (including Drexel Burnham, Kidder Peabody and JW Genesis), he has worked in all aspects of corporate finance. He formed Emerald Capital Partners in early 1999, to provide strategic planning and banking advice to a myriad of small and medium sized American growth companies. He has engaged in numerous public and private transactions ranging in size from \$1 million to \$700 million that include seed capital, early stage financing, major and late stage strategic finance, restructuring and mergers/acquisitions. His industry experience includes health care, technology, telecommunications, biotechnology, financial services, environmental, and airlines. He holds BS and MBA degrees with honors from Ohio State University, and was a fellow in the doctoral program at Northwestern University.

Consultants

- **Danny Socolof** – Mr. Socolof is the founder and CEO of the Marketing Entertainment Group of America, Inc., an entertainment production and marketing company. Mr. Socolof has created national branding events and campaigns for the world's largest and most important intellectual property owners including MTV, Pepsi, Nintendo, Proctor and Gamble, SC Johnson, Anheuser-Busch, Apple Computers, Philips Electronics and many other top tier entertainment and global consumer products organizations.
- **Mike McGinley** – Mr. McGinley is the founder of SRO Consultants, a Los Angeles based international consulting firm that provides a wide range of business and management services for the entertainment and music industry. SRO Consultants provides strategic consulting and marketing/cross promotions to industry leaders such as Microsoft, DirecTV, Best Buy, InterVU and Music Choice. Additionally, SRO

handles tour accounting for more than 100 major clients including Sting, Neil Young, the Rolling Stones and Tom Petty. Mr. McGinley is a Certified Public Accountant who received his B.A. in business administration from the University of Montana.

- **Eric Chen** - President of Emerald Capital Partners

Advisory Board

- **Don G. Kane** - Don Kane is President of GDI, a privately held holding company that controls 4 business-to-business Internet companies. Prior to joining GDI, Don was a Managing Director in the Investment Banking Division of Goldman Sachs & Co. During his fourteen-year career at Goldman Sachs, Don created the firm's Midwest Financial Institutions practice and founded a Global Financial Institutions Technology Group. Don is a Board member and Vice Chairman of Sagece Systems, Inc., a GDI company and is a member of the Board of Versifi, Inc. and Ergo Systems. Don is an advisor to Signcast, Inc., Gryphon Holdings and Capita Technologies. He is a member of the Kellogg Graduate School of Management Advisory Board at Northwestern University and is a member of the Board of the Metropolitan YMCA of Chicago.
- **Alan Epstein** -
- **Christopher C. Wheeler** -
- **Kenneth Rubenstein** - Ken is a partner at Proskauer Rose LLP law firm and is the patent attorney for Iviewit.com. He is a registered patent attorney before the U.S. Patent & Trademark Office. Ken counsels his clients with respect to the validity and infringement of competitors' patents, as well as prosecutes patent applications. For the past several years Ken has worked on the formation of a patent pool, for MPEG-2 technology, involving large consumer electronics and entertainment companies. Ken is also a former member of the legal staff at Bell Laboratories. Ken received his law degree, cum laude, from New York Law School. and his Ph.D. in physics from the Massachusetts Institute of Technology where he also graduated with a B.S. Degree.

Strategic Partners & Investors

- **Real 3D®, Inc.** - Iviewit.com is currently in a strategic partnership with Real 3D who is providing hosting, serving and technology enhancement services. Real 3D has participated in the technology evaluation phase of Iviewit.com's proprietary Imaging and Video Streaming products. Real 3D has found Iviewit.com's web-based products to offer an extraordinary high-resolution panoramic view capability that can have many uses in the e-commerce arena.
- **Huizenga Holdings, Inc.** - Huizenga Holdings Inc. through Investech Holdings, LLC is the founding equity partner of Iviewit.com. Huizenga Holdings Inc. brings a strategic portfolio of Internet investments and businesses, which has helped fuel the expansion of Iviewit.com's video and imaging technology.

- **Armstrong Hirsch Jackoway Tyerman & Wertheimer** - Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C. is one of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting Iviewit.com in developing the business structure of the Company.
- **Proskauer Rose** - Proskauer Rose LLP is one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients through the United States and around the world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.
- **Meltzer Lippe Goldstein** – Raymond Joao – Patent counsel
(Joao to describe in two paragraphs status and scope of patents and trademarks)
- **Americanenterprise.com** - More than 70% of all of Internet page views are related to health care and the health care industry. Recognizing the importance of this market segment, Iviewit.com has strategically aligned with the leading portal for the aggregation and dissemination of health care information. Americanenterprise.com and Iviewit.com have entered into a strategic alliance to make accessible health care related video and imaging content to consumers, employers, physicians, government agencies (e.g. Medicare, Social Security) and suppliers (e.g. pharmaceutical companies). Americanenterprise.com is building a private network comprised of 262 hubs located throughout North America. In addition to the content opportunities with the countless entities who will utilize this network, Iviewit.com will also gain access to Americanenterprise's other national and international strategic alliance partners. There are 18 partners in the areas of communications, software, hardware and integration and include 3M, IDX, MCI Worldcom, Uunct, ICON, Infogear, Telegent and EDS. Americanenterprise.com employs 6600 people and is planning it's own public offering in Year 2000.

Industry Analysis

Broadband Industry

The transmission of data intensive content over the Internet has been limited due to historical bandwidth constraints. However, increasing availability of improved delivery systems, such as digital cable modems, satellite delivery systems and DSL networks are

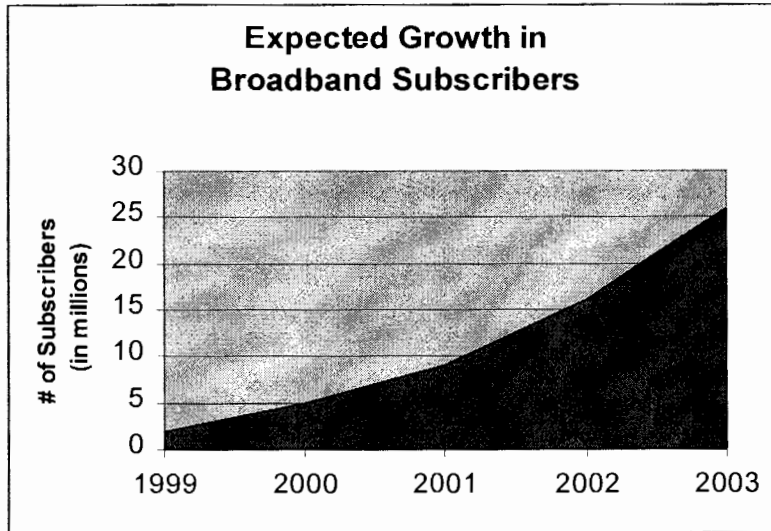


Chart 1.0 – Forrester Research and Broadband Intelligence

enabling the use of more feature-rich multimedia content. These broadband systems typically allow sustained data transfer to the user of at least 256 kilobits per second, or approximately 5 times the access speed of the fastest standard narrowband modems.

US cable modem subscribers are expected to increase to 3.3 M in 2000 (up from 1.6M in 1999). DSL customers

(served by phone companies) will nearly triple to 1.4M in 2000 from 500,000 in 1999.¹ And the total number of subscribers by the end of Year 2002 and 2003 is expected to be 16 million and 26 million, respectively.²

The broadband industry is drawing billions of dollars in capital investments to develop the necessary infrastructure for broadband content and delivery. The cable companies are massively marketing this existing user base to include broadband access. Similarly, the telephone companies are upgrading their lines to offer DSL access. In addition, major hardware manufacturing companies, application developers and content providers are racing to be the de facto standard for broadband delivery.

Streaming Media Industry

Multimedia streaming technology is bringing new levels of versatility, quality and simplicity to the creation and distribution of multimedia content over the Web. One measure of the growth in use of streaming media is the number of registered users posted by RealNetworks, a company that develops software used by broadcasters to stream multi-media content over the Internet. The first RealPlayer was released in 1995, and to date over 80 million unique users have been registered. The RealPlayer download rate

¹ Broadband Intelligence July 1999

² Forrester Research

now exceeds 175,000 per day, an increase of more than 270% since the beginning of 1997.

The emergence of rich multimedia capabilities, such as streaming audio and video, will continue to enhance the effectiveness of the Web as a mass communications medium and Intranets as a means to improve corporate communications. Content delivered through traditional media, such as television and radio, will be increasingly delivered over the Internet.

Digital Imaging Industry

Fundamental changes are occurring in the photography industry with the introduction of the digital camera. The digital camera allows the user to take pictures and display them digitally, either on a personal computer or over the Internet, without the need for traditional film development. Because digital cameras were initially expensive, early adopters of this technology were Professionals and hobbyists. Recently, sales of digital cameras have grown substantially due to improved performance and lower unit prices. IDC forecasts that worldwide digital camera shipments will grow from 2.7 million units in 1997 to 29.5 million units in 2002.

Companies are increasingly using digital imaging to promote their products and present information on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat two-dimensional images offering a limited field of view. Technological innovations that enhance realism and interactivity and contribute to a viewer's retention to that web site will facilitate the success of e-commerce by potentially leading to increased sales and advertising rates. Webcams and streaming video are some of the technological innovations businesses are using to attract and retain visitors to their web sites. Specifically, immersive imaging, or the ability to create the viewing perspective of being inside the image, is becoming increasingly popular with many web sites. However, image creation with many of the existing immersive technologies is labor intensive and requires proprietary hardware. Conditions such as inadequate lighting, subject motion or lack of portability reduce the effectiveness of the image. As a result, market acceptance of these technologies has been limited.

In order for widespread adoption of immersive imaging by businesses and consumers to occur, new immersive technologies must offer the following benefits:

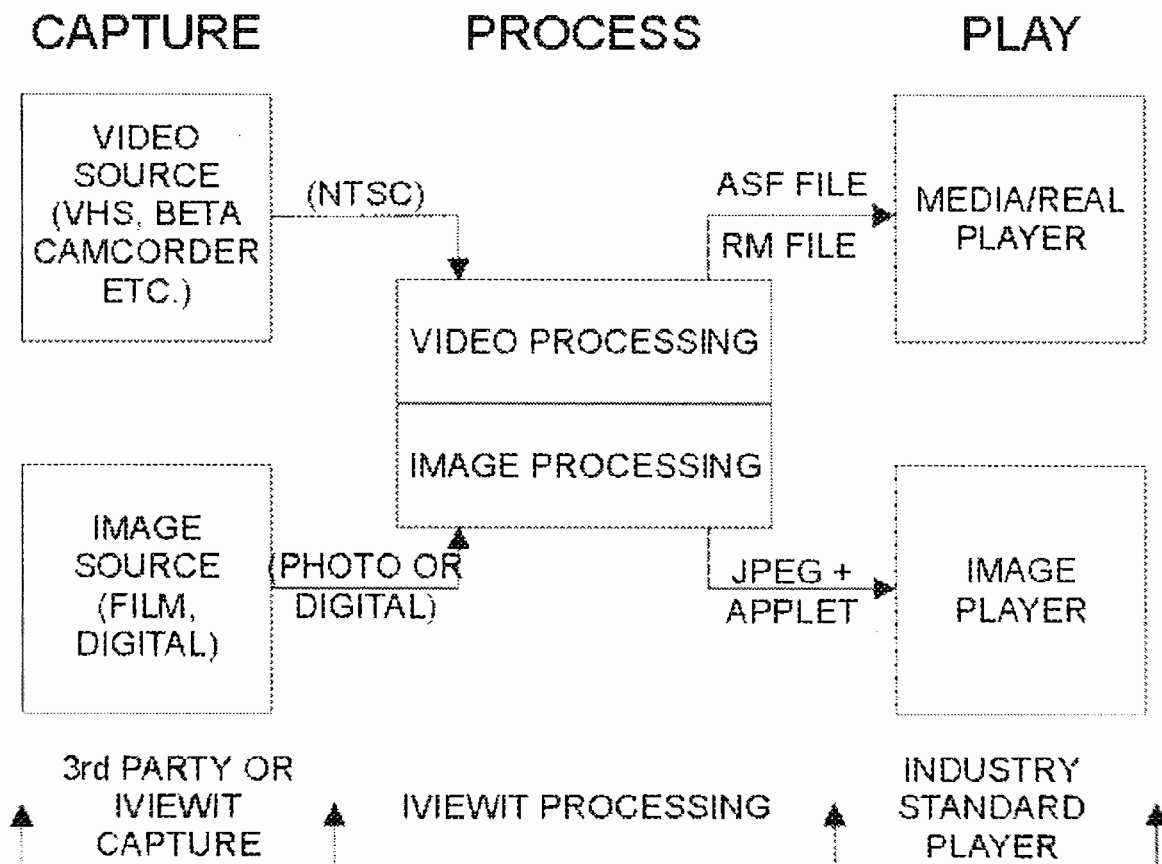
- Ease of creating and viewing an image
- Ease of distributing and sharing the image
- Portability of the capture device
- Cost effectiveness
- Use of standardized technology
- Platform independence

Product & Service Description

Process

Iviewit.com's impressive visual media products are the result of several years of development focused on the entire process of image/video acquisition through delivery over the web. Care has been taken to maintain industry interface standards such as NTSC, Media player and Real Player in order to preserve the broadest possible range of application. The result is industry leadership products without requiring special downloads or equipment. Iviewit.com processes are proprietary and protected as trade secrets and patents filed with the U.S. patent office. While video and imaging are treated separately, it should be noted that they are complementary both from a process point of view and from a customer perspective. Many potential customers have both requirements such as the resort and hotel industry and the health care industry. Iviewit.com views these products as an integral part of a sales portfolio.

IVIEWIT VISUAL MEDIA PROCESSING



Video Streaming

Streaming video is the most challenging form of content distribution over the Internet and has challenged the industry since the inception of the concept several years ago. Current processing techniques yield pictures that are small, jerky and fuzzy. Motion is a particular problem because the image refresh process tends to produce highly distorted pictures. Iviewit.com has succeeded in producing VHS like quality over broadband networks and significantly improved modem speed results. These results are obtained while minimizing the bandwidth required for the streaming video event.

The payoff flows both to the viewer and the provider. The viewer sees a much more acceptable picture and the provider is able to optimize the total amount of communications bandwidth that must be provided. Internet ready streaming digital files are produced from virtually any source producing NTSC (US) compatible or IEEE 1394 firewire interfaces. Other interfaces such as PAL or SECAM can be accommodated. The output digital files are MS Media Player or RealNetworks RealPlayer compatible. Individual files are produced for either modem or broadband use and designed to minimize the amount of bandwidth required to produce the highest possible quality image. Processing times range from 3X to 6X the playtime of the video depending upon the length of the video and the output file. The proprietary process is extendable to include video acquisition. Even though this phase is not a pre-requisite, improvements in final video quality are attainable by using Iviewit.com's *total video process*. A TV interface adapter is planned which allows a PC monitor output to be connected to a TV set. Using a TV in this way further enhances the quality of the video since a TV set is optimized for displaying video images.

Digital Imaging

Iviewit.com offers a wide range of "over the web" high quality, full screen imaging. Images range from stills to zoomable images and panoramic images of up to 360 degrees with very high levels of zoomability. Images produced by Iviewit.com's image process are identical in quality regardless of speed on the end-user's Internet connection speed. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. Output file sizes typically range from 30KB to 400KB for a full 360-degree panorama. Source material may be conventional emulsion type film or digital. Special photographic techniques are employed to ensure the final quality of the process ("garbage in, garbage out"). Unlike conventional web-ready images which become severely distorted after magnification attempts of just 1-2 times, Iviewit.com processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. Real 3D have reviewed the imaging process and results, and their comment from their review was "superb" and "elegant".

These are the types of digital images that Iviewit.com can create with its technology:

- **Single shot** - A single photo frame. Used for simple flat scenes or objects.
- **Quarter Pan and Zoom** - Typically 3 photo frames stitched together to provide a wide perspective and up to a 90 degree camera sweep angle. Used for small rooms or wide objects.

- **Half Pan and Zoom** - Typically 6 photo frames stitched together to provide up to a 180 degree panoramic camera sweep angle. Useful for panning a room from the center of a wall.
- **Three quarter Pan and Zoom** - Typically 10 photo frames stitched together to provide up to a 270 degree panoramic camera sweep angle. Used for a wide panorama or a large room taken from a corner or offset from the center.
- **Full Pan and Zoom** - Typically 13 - 16 photo frames stitched together to provide up to a 360 degree panoramic camera sweep angle. Used for a full outside panorama or a large room from the center of the room.

Proprietary Features

(Ray Joao to fill in with Ken Rubenstein)

Provisional patents were filed beginning in March 1999 and as of December 30, 1999, all seven provisional patents have been filed for full patent protection.

Future Development

Extensions of the current technology are planned to provide similar improvements in videoconferencing. Early testing has validated the feasibility of these extensions and funding will provide the resource necessary to complete the development work. It is estimated that a product could be ready to market within 6 – 9 months from funding.

Product and Services Offered by Iviewit.com

In order to provide its customers a full range of services to create and offer quality video and images over the Internet, Iviewit.com offers the following products and services:

- ***Site Licensing for the Distribution of Iviewit.com Product.*** Each site distributing Iviewit.com visual media product must license the technology. The licensing fee will be either an up front annual fee or will be included in the price of each product.
- ***Image and Video Processing.*** Priority and standard processing is provided. Priority processing guarantees a next day delivery by ftp to the customer or Iviewit.com site. Standard delivery is within 5 working days. Processing is semi automated and requires little hands-on effort. Capacity is readily scalable to several hundred videos per day with moderate capital investment.
- ***Web Hosting of Image and Video Content, Linked to a Client's Site.*** This is an extension of the current web site. Seamless linking is a well-established www technique and has been validated by Iviewit.com testing with prospective customers.
- ***Photographic or Video Recording Services.*** Iviewit.com retains the services of a large number of professional videographers in order to handle customer requirements.
- ***Web Site Creation and Hosting.*** Professional designer support is available through Iviewit.com's subcontract with Real 3D and other web site specialists. This service is not expected to be a major part of Iviewit.com's business.

Market Opportunity & Penetration Strategy

Market Opportunity for Video Streaming

Streaming media is now the most widely used application after browsers and online programs like AOL on the Internet... and it is growing exponentially. Microsoft's Media Player, RealNetworks suite of players and Apple's QuickTime Player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, *on demand*.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies mentioned above. Iviewit.com's suite of technologies will positively affect and benefit all of these parties.

For consumers who have a broadband pipe in their homes, streaming video is the "killer app." The promise of rich visual content defines the reason for paying between USD \$40-50 per month for the increased bandwidth. It means that consumers can *see* the entertainment, news, product commercials, infomercials and education videos they want at near TV quality. That promise will be fulfilled, at last, by the proliferation of content delivered through and with Iviewit.com. The companies responsible for providing the infrastructure for broadband recognize the importance of promoting enabling technologies and driving media rich content to the web. Their paradigm has shifted to include content creation as a significant element of their overall strategy. Greater availability of quality content on the web will increase demand for the pipes necessary to view it. Similarly, the popularity of software applications that "play" the content files will increase dramatically as Iviewit.com's technology will enhance any media player operating on a broadband network and provide video quality full screen streaming media.

For Business to Business (b2b) e-commerce sites, Iviewit.com's technology will provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product manuals through Iviewit.com's proprietary system, business e-commerce sites can leverage their video and image investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality visual experiences. Licensing these b2b sites will be a primary market focus for Iviewit.com's technology.

For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues etc., Iviewit.com's technology means that video streaming can finally become a revenue source. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for the small screen, grainy content prevalent on the web today and the pipeline required for serving these files is expensive. Iviewit.com's technology provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and

reducing the digital stream size required to serve them. These solutions are at the core of Iviewit.com's competitive market advantage.

For digital video distribution companies, Iviewit.com's technology is extremely attractive because it reduces the required file size to be streamed by approximately XX%. This technology will decrease the cost to business e-commerce sites and intellectual property owners, thus making it more economical and causing an increase in demand for digital video distribution.

In summary, the marketing potential for Iviewit.com's technology is substantial. The Company will engage in a high profile launch campaign designed to build awareness for its technology with all the key market influencers and then concentrate on a licensing program to populate its technology among b2b and b2c internet sites.

Market Opportunity for Digital Imaging

Companies are increasingly using digital imaging to promote their products and present information on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat two-dimensional images offering a limited field of view. The alternative, immersive imaging (the ability to create the viewing perspective of being inside the image), is becoming increasingly popular with many web sites, but is still labor intensive, requires proprietary hardware and severely distorts the image after magnification of 1-2 times.

In contrast, Iviewit.com's technology allows for high quality, full screen imaging with zoomable images and panoramic images of up to 360 degrees with very high levels of zoomability. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. Iviewit.com processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. Plus the process, which requires only ?? minutes per image, is not labor intensive and can be quickly processed. As a result, Iviewit.com will offer higher quality technology and lower image processing costs than its competitors.

Market Penetration

Iviewit.com has already begun to sell its technology to various corporations and is currently in negotiations with the following potential clients:

- | | |
|--|---|
| <ul style="list-style-type: none">• 2500 Partners• 3Com• Americanenterprises.com• Armstrong Blum Manufacturing• Atlas Entertainment• Big Entertainment, Inc.• Boca Resort & Beach Club | <ul style="list-style-type: none">• Internet Entertainment Group, Inc.• KidsCamp.com• Lovemate.com• Machineweb.com• Playboy• Sportsline.com• Thehealthnetwork.com |
|--|---|

- | | |
|---|---|
| <ul style="list-style-type: none"> • Centrack • Divine Interventions • Ezlinksgolf.com • Hyatt Hotels & Resorts | <ul style="list-style-type: none"> • University of Florida • Versifi • Webcasts.com • West Palm Beach Lexus |
|---|---|

Iviewit.com has identified various markets to target with its imaging and video streaming technology. (Please see Attachment B titled “Potential Markets for Iviewit.com’s Video & Imaging Technology” for a list of target markets.) Initially, Iviewit.com has mainly targeted the Automotive, Health Care, Executive Search, Modeling, Casting and Dating Services industries.

Because this is a nascent market and there are no benchmarks for pricing and market penetration, the company has based the planned market penetration strategy (outlined in the next two sections) on the following information:

- Iviewit.com’s contract negotiations with current clients
- Iviewit.com’s understanding of what companies are willing to pay for this technology

Iviewit.com realizes that the needs and budget for each company vary tremendously. In response to this, Iviewit.com will need to specially craft a licensing contract with each company. However, the following pricing strategy gives an overall projection of what companies on average will be charged for Iviewit.com’s video streaming and imaging products and services.

Pricing - Video Streaming

Iviewit.com will require a license to process a video source into an Iviewit.com file to be streamed over the Internet. The annual licensing fee will depend on the number of distributed servers that the company uses for its web site. The rationale behind this is that the license fee should be greater if the technology is being used and exploited by a larger number of users. And generally, web sites that have larger number of users require additional distributed servers. Iviewit.com has decided to use distributed servers as a usage benchmark (instead of number of hits to the web site streaming the video) because of the relative ease in auditing the use.

Iviewit.com will also charge a per minute fee for the processing of the video. Depending on the needs of the client, the processing of the video will vary greatly. For a client that does not require additional touch-ups to its video (i.e. a video segment on a local community college), the amount of labor to process the video is minimal and the cost will be approximately \$5 a minute to process. However, for a major company that has invested large amounts of money in a commercial advertisement (i.e. a Volkswagen commercial for the VW Bug), the inherent flaws to the video can be touched up by Iviewit.com. This process will be extremely labor intensive, thus it will cost approximately \$50,000 (??) a minute to process. Normal delivery schedule is 5 working days for processing video.

Although not a core part of its business, Iviewit.com will offer video hosting for those clients who need a complete video streaming solution. The monthly storage, database maintenance and serving fee will be based on the number of gigabytes hosted by Iviewit.com. On average, it is expected that most sites will require XX gigabytes of storage and streaming.

The following outlines the approximate fees for licensing the technology, video processing and video hosting:

Video License Charges:	First year	Following years
Video and image master server	\$25,000	\$22,500
1st distributed server	\$12,000	\$10,800
Additional distributed servers	\$8,000	\$7,200
Video Processing	\$/min.	
Processing of VHS or S-VHS tape to video player format	\$5.00	
Processing of VHS or S-VHS tape to video player format with frame editing	\$50,000	
Video Hosting, Monthly Charges	\$/GB/mo.	
Storage and Data Base Maintenance	\$12.00	
Serving Fee	\$35.00	

Pricing - Imaging

Similar to its video streaming technology, Iviewit.com will also require a license to process a still image to a zoomable and/or panoramic Iviewit.com digital image. Plus, the licensing fee will increase with additional distributed servers used by the company.

Iviewit.com will capture, process and host the images for its customers. The price of this service will depend on the type of image that Iviewit.com creates. (Please see the section titled "Digital Imaging" under the Product and Service Description for details on the types of images Iviewit.com can create.) In addition to this per image processing fee, Iviewit.com will also charge a monthly fee for the number of connections made to the site. The site connection rate will be tiered and the monthly minimum fee will be \$150.

The following outlines the approximate fees for licensing the imaging technology, capturing, processing and hosting, and connecting to the site:

Image License Charges:		First year	Following years
	Image only master server	\$1,800	\$1,620
	distributed server	\$800	\$720
Image Capture, Processing and Hosting:		Each	
	Single shot	\$68	
	Quarter Pan and Zoom	\$225	
	Half Pan and Zoom	\$435	
	Three quarter Pan and Zoom	\$655	
	Full Pan and Zoom	\$855	
Monthly Charge Schedule Based on Site Connections:		Rate \$	
	Schedule 1 - 1 to 4,999 hits	0.10	
	Schedule 2 - 5,000 to 9,999 hits	0.07	
	Schedule 3 - 10,000 to 24,999 hits	0.05	
	Schedule 4 - 25,000 + hits	0.03	
	Monthly minimum of \$150		

Launch Strategy

In order to receive the required visibility from consumers, business e-commerce sites, intellectual property owners, digital distributors and Wall Street, Iviewit.com plans to launch its video streaming technology with a high profile entertainment event. Iviewit.com is currently in discussions with the producers of i.m.Nomad to use Iviewit.com's technology to stream the mini-series. Plus, Iviewit.com will receive significant recognition as the technology driving the high quality video streaming. The following is a description of the event:

i.m.Nomad is a breakthrough short-form, entertainment mini-series consisting of 15 four-minute episodes and crafted for the Internet. These erotic, episodic and wholly interactive stories, combined with behind-the-scenes footage, will form the basis for a one-hour pay TV special.

i.m.Nomad stars three of the world's most high profile and successful supermodels: *Sports Illustrated* cover girl Heidi Klum, Chanel spokesperson Estella Warren and *Victoria's Secret* model Rachel Roberts. These internationally recognized beauty stars will perform for the first time ever in the nude. Each will assume a different identity, which will be characterized with stylized, signature body art. Heidi Klum, Estella Warren and Rachel Roberts will actively promote the venture in all forms of media as part of an orchestrated worldwide campaign, which includes: Internet viral marketing and magazine, television and radio interviews.

Iviewit.com feels the concept and demographic of this mini-series best targets its consumers. This mini-series will attract mainly a male audience, which is the majority of broadband users. Also, the extension of the mini-series over 15 weeks allows more time for PR and major promotions.

Another launch initiative being considered by Iviewit.com is to forge strategic alliances with Pay-Per-View companies to produce live events with well-known artists such as Billy Joel, CSNY and Dixie Chicks.

Competitor Analysis

Streaming Media

Iviewit.com's competitors for its streaming media technology are companies that provide encoding services. In contrast, companies that are software providers (i.e. Microsoft's Media Player and RealNetworks' RealPlayer), digital distributors (i.e. InterVU and iBeam) and broadband content providers (i.e. DEN) will benefit from the increased use of Iviewit.com's technology and potentially could be strategic partners.

The following describes the major competitors to Iviewit.com in the encoding industry:

- **Loudeye** – Loudeye, originally encoding.com, is a provider of digitizing and encoding services. The company offers expertise in streaming media production and delivering high-quality, cost-effective output. Loudeye's Optimized Encoding Process™ and proprietary software offers a robust solution for media compression. Loudeye has converted more than 500,000 minutes of audio and video to Internet-playable formats. The company's partnership with platform developers such as Microsoft, Apple and RealNetworks allows first-to-market technologies and codec support.
- **Sonic Foundry** - Sonic Foundry, Inc. is a provider of PC-based software products that enable users to easily work with and edit digital media. Sonic Foundry's products are used worldwide for multimedia and Internet applications, music and audio post-production, broadcast production, and digital content creation. Sonic Foundry's products and services offer media consumers the ability to capture and create media, edit the content, and deliver the information via fixed media or electronic distribution. The Company's products are designed to run under both the Windows and Windows NT operating systems.
- **VideoDome.com** – VideoDome.com is a provider of Internet video OnDemand solutions. Using its InstaStream system, the company enables the conversion of standard video footage to video on demand. VideoDome.com offers inexpensive and automated solutions to broadcasting media either via a listing in the VideoDome OnDemand Channel Directory, your own existing web site, or a dedicated channel with various features including chat, user subscription options and client customization. Videodome.com garners over half a million OnDemand video requests across its networks every month.

Digital Imaging

There are various companies offering digital imaging services over the Internet. However, as described in the Product and Services section, Iviewit.com offers full screen higher quality images that are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. None of Iviewit.com's competitors can provide this type of quality imaging.

The following describes the major competitors to Iviewit.com in the digital imaging industry:

- **Bamboo.com** – Bamboo.com provides virtual tours of real estate properties for sale or rent in more than 100 metropolitan areas across the US and Canada. The tours allow users to view the inside and outside of properties, panning right and left or zooming in for a better look. Bamboo.com charges real estate agents a one-time fee to videotape a property, convert the videotape into a virtual tour, and distribute the tour through Internet sites or e-mail. The company markets its tours through agreements with Web sites such as REALTOR.com and HomeBuilder.com.
- **Interactive Pictures Corporation (IPIX)** - Interactive Pictures puts you in the picture. The company's IPIX technology is used by travel and hospitality (Marriott), publishing (New York Times), real estate (ERA), education (National Geographic), and entertainment (Disney) companies to enhance multimedia content, interactivity, and e-commerce on Web sites. Its Wizard software (sold on a per-use basis) converts two photos taken with a digital camera into one IPIX image. The company also sells IPIX-ready digital cameras and accessories and offers multimedia services. Interactive Pictures, whose shareholders include investor Lee Martin, Motorola, MediaOne, and GE Capital, is merging with Bamboo.com.
- **Live Picture / MGI Software** – Live Picture, Inc. (LPI) provides Internet imaging and is the inventor of zoomable images for the Internet. Live Picture develops and sells a complete suite of image servers and Internet and consumer applications based on its Zoom image technology. Live Picture products are used for creating, managing, and distributing highly detailed images for network and print applications. Live Picture offers several viewing options, including its patent-pending Universal Viewing technology, which requires no special client software, as well as Java applets and plug-ins for advanced viewing and high-resolution printing. With Live Pictures servers, images download quickly, even over typical modem connections, because they're based on Flashpix and the Internet Imaging Protocol (IIP); open standards invented by Live Picture to rapidly stream images, regardless of size.
- **Ulead Systems, Inc.** – Ulead Systems was founded in 1989 to develop and market Windows-based imaging and video production tools that empower people to share their ideas and memories more easily and creatively. Their mission is to provide easier, faster and superior imaging, video, 3D and Internet software for business and personal communications. Ulead products serve millions of users worldwide and have won extensive industry recognition.

Company	Full Screen	Singe Image Zoom	Image Distortion	Pixelation Upon Zoom	Panning Ability
Bamboo	Yes	Yes	Yes	Yes	Up, Dn, Lt, Rt
IPIX	No	Yes	Yes	Yes	Lt, Rt
MGI Software	No	Yes	Yes	Yes	Up, Dn, Lt, Rt
Ulead	No	No	Yes	Yes	Up, Dn, Lt, Rt
Iviewit.com	Yes	Yes	No	No	Up, Dn, Lt, Rt

Table 1.0 – Imaging Competitor Analysis

Timeline

Date	Milestone
January 31, 2000	Close First Round of Financing - \$10 - \$25 Million
	Secure Content for Launch of Iviewit.com
	Begin Viral Marketing Campaign of Iviewit.com
February – April, 2000	Hire Key Executives and Staff
April 15, 2000	Official Marketing Campaign Begins
	Sales & Marketing Team Approaching Potential Clients
May 15, 2000	Official Launch of Iviewit.com
July 2000	Begin to Generate Revenue for 30 Second Video Segments
October 2000	Begin to Generate Revenue for 3 Minute Video Segments
	Breakeven for Iviewit.com
?	Close Second Round of Financing
December 2001	Initial Public Offering

Financial Analysis

(Need to update the financials to reflect Imaging and Video Streaming revenues, as well as direct expenses.)

Financial Highlights

Based on the revenue and expense assumptions described in the following two sections, the net margin for Year Two is approximately 40% and break-even occurs by the 10th month of Year One.

Iviewit.com plans to make an Initial Public Offering by the end of Year 2001. The monthly projected net income by the time of the Offering will be approximately \$2 million. Iviewit.com will require financing of approximately \$20 million to carry it to IPO. The primary use of funds will be to secure a first-class management team to quickly grow the company.

Revenue Assumptions

(Still need market penetration numbers)

Expenses Assumptions

(Brian: I need to better understand the direct costs for the video processing and the image processing)

The majority of SG&A expenses are for salaries and marketing. The monthly salary expense in Year One is approximately \$360,000 and the monthly marketing expense is \$250,000. Iviewit.com has assumed that these amounts will increase by 10% in Year Two. The other major expenditure is in the amount of \$3 million for the i.m.Nomad mini-series to launch Iviewit.com's technology.

Attachment A – Financial Statements



"Iviewit Financial
Projections 1.1.xls"

Attachment B – Potential Markets for Iviewit.com’s Video & Imaging Technology

Market	Video	Image
3D Graphics		X
Advertising	X	X
Art		X
Automotive *	X	X
Commercial Properties	X	X
Computer Games	X	X
Entertainment	X	
Executive Search, Modeling, Casting & Dating Services *	X	
Health Care *	X	X
High value Auctions	X	X
High-end Luxury (e.g. Boats & Airplanes)	X	X
Hotels & Resorts	X	X
Image Libraries		X
Medical Imaging	X	X
Military & Government	X	X
Residential Properties	X	X
Software applications	X	
Sports	X	X

* Iviewit.com is actively pursuing these markets

AJE Comment -
4/13/00



Iviewit.com, LLC Business Plan

to:

iviewit/
business plan files

Contact Information:
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Boca Raton, Florida 33431
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Will be very
difficult to set
VC's to size this...
Maybe better just to
state that
is confidential.

Confidentiality Statement

This business plan and the exhibits hereto (collectively, the "Plan") have been submitted on a confidential basis for use by a limited number of sophisticated investors or acquirers (the "Investor(s)") solely for, and should be used only in connection with, an Investor's consideration of an investment in Iviewit.com LLC, (the "Company"). Its use for any other purpose is not authorized. Any reproduction or distribution of the Plan, or re-transmittal of its contents, in whole or in part, without the prior written consent of the Company is prohibited.

This Plan contains certain information of a highly confidential nature, including projections by the Company's management of the Company's performance and other material of a forward-looking nature. The receipt of this Plan constitutes an agreement on the part of the recipient hereof to maintain the confidentiality of the information contained herein or any additional information subsequently delivered in connection herewith. Investors who accept this Plan or become aware of the information contained herein must understand and comply with the extensive restrictions imposed by Federal and State securities laws upon their ability to disclose information contained herein to others or to participate in or otherwise effect or facilitate any transaction relating to any securities of the Company. Investors who cannot comply fully with such restrictions should not review the information contained herein and should immediately return this Plan to the Company.

Name
Company
Date

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Executive Summary

Concept

Iviewit.com has developed a state-of-the-art proprietary technology enabling full screen, TV quality streaming video and digital imaging for the Internet. The streaming video can be seen by both broadband and modem users with no download time required. The digital imaging allows for full screen still images or panoramas that can be magnified with minimal image distortion. Iviewit.com has protected its technology by filing and securing eight patents for its video streaming and imaging technology.

Benefits of Iviewit.com's Technology

With the incredible current and future expected growth of the broadband industry, Iviewit.com is ideally positioned with its technology to capitalize on this opportunity. Quantify the cost benefits of the technology. Explain that it runs 50% - 80% more efficient.

Product and Services Offered

Iviewit.com offers the following products and services:

- Site Licensing for the Distribution of Iviewit.com Product. Each site distributing Iviewit.com visual media product must license the technology. The licensing fee will be either an up front annual fee or will be included in the price of each product.
- Image and Video Processing. Priority and standard processing is provided. Priority processing guarantees a next day delivery by ftp to the customer or Iviewit.com site. Standard delivery is within 5 working days.
- Web Hosting of Image and Video Content, Linked to a Client's Site. This is an extension of the current web site. Seamless linking is a well-established www technique and has been validated by Iviewit.com testing with prospective customers.
- Photographic or Video Recording Services. Iviewit.com retains the services of a large number of professional videographers in order to handle customer requirements.
- Web Site Creation and Hosting. Professional designer support is available through Iviewit.com's subcontract with Real 3D and other web site specialists. This service is not expected to be a major part of Iviewit.com's business.

Market Penetration Strategy & Launch

Iviewit.com is currently negotiating its products and services with major corporations such as Hyatt Hotel & Resorts, Americanenterprises.com, 3Com, Playboy, University of Florida, and Sportsline.com. The response to the technology and pricing has been overwhelmingly positive. There are many markets for Iviewit.com to target, however initially, the company is focusing on the Automotive, Health Care, Executive Search, Modeling, Casting and Dating Services industries.

Iviewit.com plans to launch its video streaming technology with a high profile entertainment event called i.m.Nomad. The event is a mini-series consisting of 15 four-minute episodes starring successful supermodels Heidi Klum, Estella Warren and Rachel Roberts.

2-tier pricing?

No patents have been issued, to my knowledge. Not even sure they have been filed for.

Not limited to broadband, especially for imaging.

has retained

the sale or license of

? Was this discussed?

internationally renowned

Management Team

Iviewit.com has a strong, well-experienced and diversified management team, Board of Directors, and Advisory Board. Brian Utley, President and COO, has been involved in the computer industry since 1955, 37 years of which were with IBM. He has been in senior management and executive positions since 1965 culminating in his responsibility as Vice President and General Manager of IBM Boca Raton with a population of over 6,000 professionals. The Board of Directors and Advisory Board is equally well experienced with backgrounds in running large corporations, developing technology, dealing with patent and business legal issues, financing start-up companies and preparing companies for an IPO.

Strategic Alliances

Iviewit.com has developed strong strategic partnerships with Real 3D, a well-respected technology company, and with Americanenterprises.com, the leading portal for the aggregation and dissemination of health care information. Real 3D is providing hosting, serving and technology enhancement services. In addition, Real 3D has performed a technology evaluation phase of Iviewit.com's imaging and video streaming technology, in which they found it to be "superb". With Americanenterprise.com, Iviewit.com will make health care related video and imaging content accessible to consumers, employers, physicians, government agencies, and suppliers. In addition to the content opportunities with the countless entities who will utilize this network, Iviewit.com will also gain access to Americanenterprise's other national and international strategic alliance partners. Iviewit.com has also created alliances with various business and patent law firms.

Financial Analysis

- Approximate overhead expenses
- Profit, return rates
- When iviewit.com expects to break-even
- How much money iviewit.com is looking for in this round of financing
- Iviewit.com's plans to do an IPO by the end of Year 2001

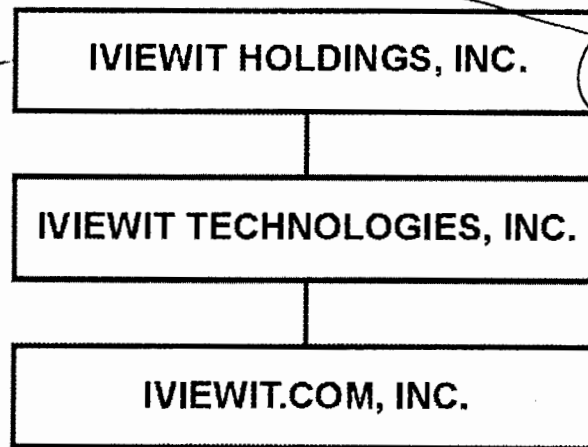
Company

Company Background

Iviewit.com, Inc., located in Boca Raton, Florida, was formed in 1999 under the laws of the state of Delaware. Iviewit.com was formed to research, develop, license and sell various Internet based products and services to the vast growing e-commerce market. Iviewit.com has developed a state-of-the-art proprietary technology enabling full screen, TV quality streaming video and digital imaging for the Internet. The streaming video can be seen by both broadband and modem users with no download time required. The digital imaging allows for full screen still images or panoramas that can be magnified with minimal image distortion. Iviewit.com has protected its technology by filing and securing eight patents for its video streaming and imaging technology. (Please see the section titled "Proprietary Features" under the Product Description for more details).

First ^{Seed} funding for Iviewit.com was received ⁱⁿ by late September '99 from Huizenga Holdings, Inc. This allowed the Company to start operations in its current location in October. Since that time the Company has established its web site and digital imaging production through a sub contract with Strategic Partner Real 3D, continued development of the Iviewit.com video process and hired the initial sales staff of 3 people. The development of the video process reached its quality goals and has begun initial production. Early sales contacts and contracts have confirmed the commercial value of Iviewit.com's technology and the Company is now seeking financing to realize the potential of its products and technology.

The Company was initially formed as an LLC. ~~Recognizing the future potential of the business,~~ the Board authorized the conversion of the company into a 'C' corporation. This was accomplished on December 29, 1999. The corporate structure now is:



IVIEWIT HOLDINGS, INC.

IVIEWIT TECHNOLOGIES, INC.

IVIEWIT.COM, INC.

The founders put up funding pre-Huizenga. See Eliot for details, if you think it is relevant.

Differences between companies? Operating? Patents? Holdings?

For various business reasons,

believes that there is a virtually unlimited growth

Future Plans for Iviewit.com

Iviewit.com has found the growth opportunity for its proprietary visual Internet media. Thus, once it has secured funding, Iviewit.com will focus initially on developing its video streaming business as the primary focus, building the imaging business as client needs arise.

Key Management

Is imaging as a ~~the~~ ^{the} ~~most~~ ^{most} ~~interested~~ ^{interested}?
I still believe that both businesses can be

pursued simultaneously.

- **Brian Utley, President and Chief Operating Officer** - Mr. Utley has been involved in the computer industry since 1955, 37 years of which were with IBM. He has been in senior management and executive positions since 1965 culminating in his responsibility as Vice President and General Manager of IBM Boca Raton with a population of over 6,000 professionals. During his career he has been responsible for advanced technology product development on many fronts. In addition he was responsible for a number of IBM's overseas activities including product development, product management and market development. The most notable of which was the introduction of the IBM PC to Europe. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results.
- **Eliot I. Bernstein, Founder and Chief Technology Officer** - Mr. Bernstein, a graduate of University of Wisconsin, spent 15 years in a highly successful insurance career while constantly creating innovative computer based, multimedia marketing tools. During this time, Eliot created powerful and unique database and interactive multimedia marketing products. These products remain in use today to service over \$1 billion of insurance business. Eliot is accustomed to servicing only the best clients including Marvin Davis Companies and The Irvine Company. In 1998, like many entrepreneurs, Eliot chose to risk everything to pursue his dream of creating visual applications for the Internet and Iviewit.com was born. He has combined his passion for photography with a burning desire to see the Internet evolve from a text-based medium to a visual tool.

Although Mr. Utley and Mr. Bernstein's vast experience is a tremendous asset to the company, Iviewit.com understands that it needs to assemble a highly qualified and diverse management team. Once funding is secure, Iviewit.com will place the following key positions within 60 days:

- Chief Executive Officer
- Chief Financial Officer
- EVP of Sales & Marketing
- Chief Technology Officer

(among others)

intends to fill

Board of Directors

- Brian G. Utley, President & COO
- Eliot I. Bernstein, Founder & CTO

The Key Msmt, Advisory Board and Consultant sections need to be shortened, or attach some of this as an Exhibit.

- **Simon L. Bernstein, Chairman of the Board** - Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over \$800 million in life premium sales. Mr. Bernstein's career in the life insurance industry began in 1965 when he became the top producer for Aetna Life and Casualty Company. He has remained in the top 5% of life insurance sales agencies since that time. Mr. Bernstein is currently a qualifying and life member of the Million Dollar Round Table.
- **Gerald R. Lewin, Director** - Gerald Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. In 1981, Mr. Lewin joined Donald Goldstein to form Goldstein Lewin & Co., which currently has approximately 30 accountants. Mr. Lewin specializes in business consulting and is highly knowledgeable in many aspects of accounting, tax and financial planning. Mr. Lewin is a member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.
- **Maurice R. Buchsbaum, Director** – Mr. Buchsbaum has engaged in corporate finance projects as a principal, advisor, consultant, director or senior managing director for the past 27 years. As a partner or senior officer of several leading investment banks (including Drexel Burnham, Kidder Peabody and JW Genesis), he has worked in all aspects of corporate finance. He formed Emerald Capital Partners in early 1999, to provide strategic planning and banking advice to a myriad of small and medium sized American growth companies. He has engaged in numerous public and private transactions ranging in size from \$1 million to \$700 million that include seed capital, early stage financing, major and late stage strategic finance, restructuring and mergers/acquisitions. His industry experience includes health care, technology, telecommunications, biotechnology, financial services, environmental, and airlines. He holds BS and MBA degrees with honors from Ohio State University, and was a fellow in the doctoral program at Northwestern University.

Consultants

- **Danny Socolof** – Mr. Socolof is the founder and CEO of the Marketing Entertainment Group of America, Inc., an entertainment production and marketing company. Mr. Socolof has created national branding events and campaigns for the world's largest and most important intellectual property owners including MTV, Pepsi, Nintendo, Proctor and Gamble, SC Johnson, Anheuser-Busch, Apple Computers, Philips Electronics and many other top tier entertainment and global consumer products organizations.
- **Mike McGinley** – Mr. McGinley is the founder of SRO Consultants, a Los Angeles based international consulting firm that provides a wide range of business and management services for the entertainment and music industry. SRO Consultants provides strategic consulting and marketing/cross promotions to industry leaders such as Microsoft, DirecTV, Best Buy, InterVU and Music Choice. Additionally, SRO

handles tour accounting for more than 100 major clients including Sting, Neil Young, the Rolling Stones and Tom Petty. Mr. McGinley is a Certified Public Accountant who received his B.A. in business administration from the University of Montana.

- **Eric Chen** - President of Emerald Capital Partners

Advisory Board

- **Don G. Kane** - Don Kane is President of GDI, a privately held holding company that controls 4 business-to-business Internet companies. Prior to joining GDI, Don was a Managing Director in the Investment Banking Division of Goldman Sachs & Co. During his fourteen-year career at Goldman Sachs, Don created the firm's Midwest Financial Institutions practice and founded a Global Financial Institutions Technology Group. Don is a Board member and Vice Chairman of Sagence Systems, Inc., a GDI company and is a member of the Board of Versifi, Inc. and Erogo Systems. Don is an advisor to Signcast, Inc., Gryphon Holdings and Capita Technologies. He is a member of the Kellogg Graduate School of Management Advisory Board at Northwestern University and is a member of the Board of the Metropolitan YMCA of Chicago.
- **Alan Epstein** -
- **Christopher C. Wheeler** -
- **Kenneth Rubenstein** - Ken is a partner at Proskauer Rose LLP law firm and is the patent attorney for Iviewit.com. He is a registered patent attorney before the U.S. Patent & Trademark Office. Ken counsels his clients with respect to the validity and infringement of competitors' patents, as well as prosecutes patent applications. For the past several years Ken has worked on the formation of a patent pool, for MPEG-2 technology, involving large consumer electronics and entertainment companies. Ken is also a former member of the legal staff at Bell Laboratories. Ken received his law degree, cum laude, from New York Law School. and his Ph.D. in physics from the Massachusetts Institute of Technology where he also graduated with a B.S. Degree.

Strategic Partners & Investors

- **Real 3D®, Inc.** - Iviewit.com is currently in a strategic partnership with Real 3D who is providing hosting, serving and technology enhancement services. Real 3D has participated in the technology evaluation phase of Iviewit.com's proprietary Imaging and Video Streaming products. Real 3D has found Iviewit.com's web-based products to offer an extraordinary high-resolution panoramic view capability that can have many uses in the e-commerce arena.
- **Huizenga Holdings, Inc.** - Huizenga Holdings Inc. through Investech Holdings, LLC is the founding equity partner of Iviewit.com. Huizenga Holdings Inc. brings a strategic portfolio of Internet investments and businesses, which has helped fuel the expansion of Iviewit.com's video and imaging technology.

- **Armstrong Hirsch Jackoway Tyerman & Wertheimer** - Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C. is one of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting Iviewit.com in developing the business structure of the Company.
- **Proskauer Rose** - Proskauer Rose LLP is one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients through the United States and around the world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.
- **Meltzer Lippe Goldstein** – Raymond Joao – Patent counsel
(Joao to describe in two paragraphs status and scope of patents and trademarks)
- **Americanenterprise.com** - More than 70% of all of Internet page views are related to health care and the health care industry. Recognizing the importance of this market segment, Iviewit.com has strategically aligned with the leading portal for the aggregation and dissemination of health care information. Americanenterprise.com and Iviewit.com have entered into a strategic alliance to make accessible health care related video and imaging content to consumers, employers, physicians, government agencies (e.g. Medicare, Social Security) and suppliers (e.g. pharmaceutical companies). Americanenterprise.com is building a private network comprised of 262 hubs located throughout North America. In addition to the content opportunities with the countless entities who will utilize this network, Iviewit.com will also gain access to Americanenterprise's other national and international strategic alliance partners. There are 18 partners in the areas of communications, software, hardware and integration and include 3M, IDX, MCI Worldcom, Uunet, ICON, Infogear, Telegent and EDS. Americanenterprise.com employs 6600 people and is planning it's own public offering in Year 2000.

Industry Analysis

Broadband Industry

The transmission of data intensive content over the Internet has been limited due to historical bandwidth constraints. However, increasing availability of improved delivery systems, such as digital cable modems, satellite delivery systems and DSL networks are

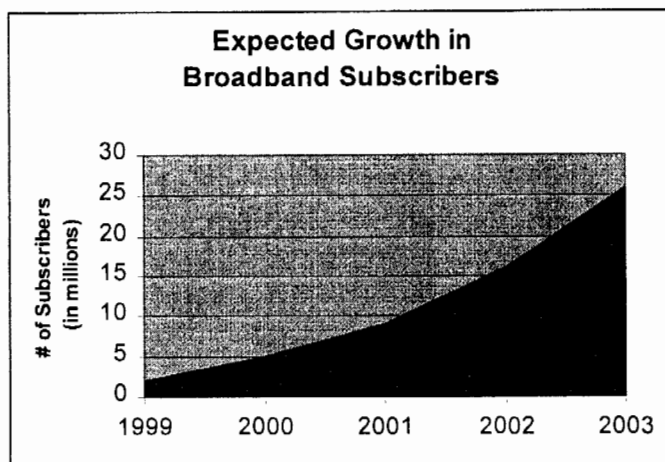


Chart 1.0 - Forrester Research and Broadband Intelligence

(served by phone companies) will nearly triple to 1.4M in 2000 from 500,000 in 1999.¹ And the total number of subscribers by the end of Year 2002 and 2003 is expected to be 16 million and 26 million, respectively.²

The broadband industry is drawing billions of dollars in capital investments to develop the necessary infrastructure for broadband content and delivery. The cable companies are massively marketing this existing user base to include broadband access. Similarly, the telephone companies are upgrading their lines to offer DSL access. In addition, major hardware manufacturing companies, application developers and content providers are racing to be the de facto standard for broadband delivery.

Streaming Media Industry

Multimedia streaming technology is bringing new levels of versatility, quality and simplicity to the creation and distribution of multimedia content over the Web. One measure of the growth in use of streaming media is the number of registered users posted by RealNetworks, a company that develops software used by broadcasters to stream multi-media content over the Internet. The first RealPlayer was released in 1995, and to date over 80 million unique users have been registered. The RealPlayer download rate

¹ Broadband Intelligence July 1999

² Forrester Research

now exceeds 175,000 per day, an increase of more than 270% since the beginning of 1997.

The emergence of rich multimedia capabilities, such as streaming audio and video, will continue to enhance the effectiveness of the Web as a mass communications medium and Intranets as a means to improve corporate communications. Content delivered through traditional media, such as television and radio, will be increasingly delivered over the Internet.

Digital Imaging Industry

Fundamental changes are occurring in the photography industry with the introduction of the digital camera. The digital camera allows the user to take pictures and display them digitally, either on a personal computer or over the Internet, without the need for traditional film development. Because digital cameras were initially expensive, early adopters of this technology were Professionals and hobbyists. Recently, sales of digital cameras have grown substantially due to improved performance and lower unit prices. IDC forecasts that worldwide digital camera shipments will grow from 2.7 million units in 1997 to 29.5 million units in 2002.

Companies are increasingly using digital imaging to promote their products and present information on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat two-dimensional images offering a limited field of view. Technological innovations that enhance realism and interactivity and contribute to a viewer's retention to that web site will facilitate the success of e-commerce by potentially leading to increased sales and advertising rates. Webcams and streaming video are some of the technological innovations businesses are using to attract and retain visitors to their web sites. Specifically, immersive imaging, or the ability to create the viewing perspective of being inside the image, is becoming increasingly popular with many web sites. However, image creation with many of the existing immersive technologies is labor intensive and requires proprietary hardware. Conditions such as inadequate lighting, subject motion or lack of portability reduce the effectiveness of the image. As a result, market acceptance of these technologies has been limited.

In order for widespread adoption of immersive imaging by businesses and consumers to occur, new immersive technologies must offer the following benefits:

- Ease of creating and viewing an image
- East of distributing and sharing the image
- Portability of the capture device
- Cost effectiveness
- Use of standardized technology
- Platform independence

Refer to consistently,
 In some places, it's "www",
 "web" or "Web".

Product & Service Description

Process

Iviewit.com's impressive visual media products are the result of several years of development focused on the entire process of image/video acquisition through delivery over the web. Care has been taken to maintain industry interface standards such as NTSC, Media player and Real Player in order to preserve the broadest possible range of application. The result is industry leadership products without requiring special downloads or equipment. Iviewit.com processes are proprietary and protected as trade secrets and patents filed with the U.S. patent office. While video and imaging are treated separately, it should be noted that they are complementary both from a process point of view and from a customer perspective. Many potential customers have both requirements such as the resort and hotel industry and the health care industry. Iviewit.com views these products as an integral part of a sales portfolio.

Microsoft

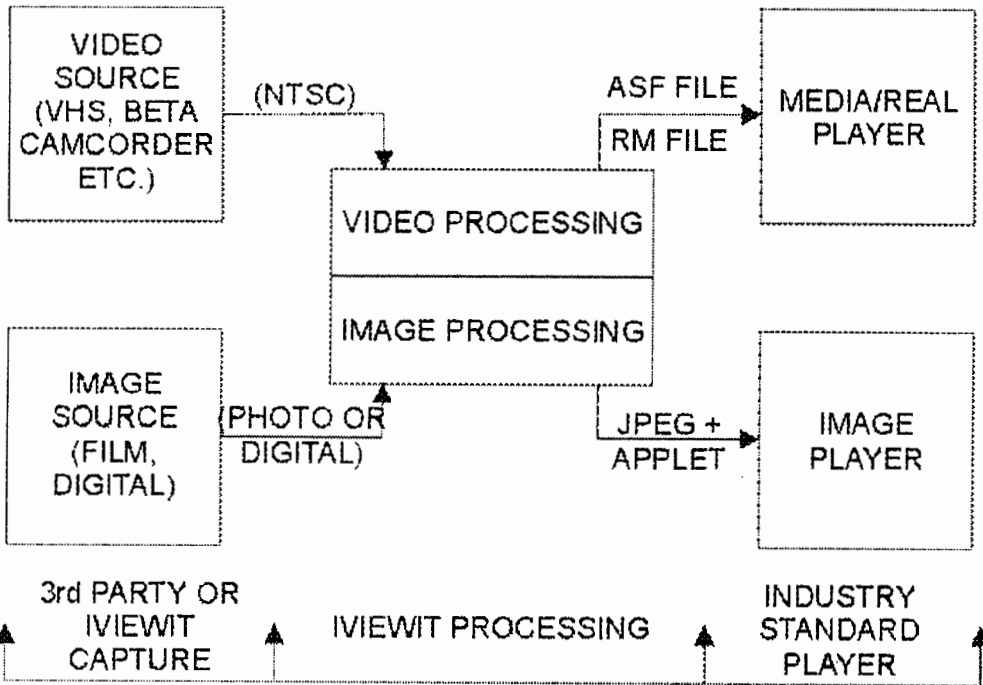
True?

IVIEWIT VISUAL MEDIA PROCESSING

CAPTURE

PROCESS

PLAY



Also depends on whether or not
is high or low quality, risk?
If high quality, may be
much more.

Video Streaming

Streaming video is the most challenging form of content distribution over the Internet and has challenged the industry since the inception of the concept several years ago. Current processing techniques yield pictures that are small, jerky and fuzzy. Motion is a particular problem because the image refresh process tends to produce highly distorted pictures. Iviewit.com has succeeded in producing VHS like quality over broadband networks and significantly improved modem speed results. These results are obtained while minimizing the bandwidth required for the streaming video event.

minimize?

The payoff flows both to the viewer and the provider. The viewer sees a much more acceptable picture and the provider is able to optimize the total amount of communications bandwidth that must be provided. Internet ready streaming digital files are produced from virtually any source producing NTSC (US) compatible or IEEE 1394 firewire interfaces. Other interfaces such as PAL or SECAM can be accommodated. The output digital files are MS Media Player or RealNetworks RealPlayer compatible. Individual files are produced for either modem or broadband use and designed to minimize the amount of bandwidth required to produce the highest possible quality image. Processing times range from 3X to 6X the playtime of the video depending upon the length of the video and the output file. The proprietary process is extendable to include video acquisition. Even though this phase is not a pre-requisite, improvements in final video quality are attainable by using Iviewit.com's total video process. A TV interface adapter is planned which allows a PC monitor output to be connected to a TV set. Using a TV in this way further enhances the quality of the video since a TV set is optimized for displaying video images.

Digital Imaging

Iviewit.com offers a wide range of "over the web" high quality, full screen imaging. Images range from stills to zoomable images and panoramic images of up to 360 degrees with very high levels of zoomability. Images produced by Iviewit.com's image process are identical in quality regardless of speed on the end-user's Internet connection speed. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. Output file sizes typically range from 30KB to 400KB for a full 360-degree panorama. Source material may be conventional emulsion type film or digital. Special photographic techniques are employed to ensure the final quality of the process ("garbage in, garbage out"). Unlike conventional web-ready images which become severely distorted after magnification attempts of just 1-2 times, Iviewit.com processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. Real 3D have reviewed the imaging process and results, and their comment from their review was "superb" and "elegant".

These are the types of digital images that Iviewit.com can create with its technology:

- **Single shot** - A single photo frame. Used for simple flat scenes or objects.
- **Quarter Pan and Zoom** - Typically 3 photo frames stitched together to provide a wide perspective and up to a 90 degree camera sweep angle. Used for small rooms or wide objects.

It would be very helpful to expand the "efficiency" part. Note the target bandwidth (300 kbps?) noted by Bill Gates at the Streaming Media Conference. State that iviewit is already substantially below the target (confirm w/ Brian), unlike all of the competition. Describe what this means in practice, i.e., more video can be streamed through the same pipe, resulting in cost savings.

Confirm definitions
on top of p. 14

- **Half Pan and Zoom** - Typically 6 photo frames stitched together to provide up to a 180 degree panoramic camera sweep angle. Useful for panning a room from the center of a wall.
- **Three quarter Pan and Zoom** - Typically 10 photo frames stitched together to provide up to a 270 degree panoramic camera sweep angle. Used for a wide panorama or a large room taken from a corner or offset from the center.
- **Full Pan and Zoom** - Typically 13 - 16 photo frames stitched together to provide up to a 360 degree panoramic camera sweep angle. Used for a full outside panorama or a large room from the center of the room.

Proprietary Features

(Ray Joao to fill in with Ken Rubenstein)

Provisional patents were filed beginning in March 1999 and as of December 30, 1999, all seven provisional patents have been filed for full patent protection.

None yet issued.

Future Development

Extensions of the current technology are planned to provide similar improvements in videoconferencing. Early testing has validated the feasibility of these extensions and funding will provide the resource necessary to complete the development work. It is estimated that a product could be ready to market within 6 - 9 months from funding.

Product and Services Offered by Iviewit.com

In order to provide its customers a full range of services to create and offer quality video and images over the Internet, Iviewit.com offers the following products and services:

- **Site Licensing for the Distribution of Iviewit.com Product.** Each site distributing Iviewit.com visual media product must license the technology. The licensing fee will be either an up front annual fee or will be included in the price of each product.
- **Image and Video Processing.** Priority and standard processing is provided. Priority processing guarantees a next day delivery by ftp to the customer or Iviewit.com site. Standard delivery is within 5 working days. Processing is semi automated and requires little hands-on effort. Capacity is readily scalable to several hundred videos per day with moderate capital investment.
- **Web Hosting of Image and Video Content, Linked to a Client's Site.** This is an extension of the current web site. Seamless linking is a well-established www technique and has been validated by Iviewit.com testing with prospective customers.
- **Photographic or Video Recording Services.** Iviewit.com retains the services of a large number of professional videographers in order to handle customer requirements.
- **Web Site Creation and Hosting.** Professional designer support is available through Iviewit.com's subcontract with Real 3D and other web site specialists. This service is not expected to be a major part of Iviewit.com's business.

Market Opportunity & Penetration Strategy

Market Opportunity for Video Streaming

Streaming media is now the most widely used application after browsers and online programs like AOL on the Internet... and it is growing exponentially. Microsoft's Media Player, RealNetworks suite of players and Apple's QuickTime Player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, *on demand*.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies mentioned above. Iviewit.com's suite of technologies will positively affect and benefit all of these parties.

For consumers who have a broadband pipe in their homes, streaming video is the "killer app." The promise of rich visual content defines the reason for paying between USD \$40-50 per month for the increased bandwidth. It means that consumers can *see* the entertainment, news, product commercials, infomercials and education videos they want at near TV quality. That promise will be fulfilled, at last, by the proliferation of content delivered through and with Iviewit.com. The companies responsible for providing the infrastructure for broadband recognize the importance of promoting enabling technologies and driving media rich content to the web. Their paradigm has shifted to include content creation as a significant element of their overall strategy. Greater availability of quality content on the web will increase demand for the pipes necessary to view it. Similarly, the popularity of software applications that "play" the content files will increase dramatically as Iviewit.com's technology will enhance any media player operating on a broadband network and provide video quality full screen streaming media.

For Business to Business (b2b) e-commerce sites, Iviewit.com's technology will provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product manuals through Iviewit.com's proprietary system, business e-commerce sites can leverage their video and image investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality visual experiences. Licensing these b2b sites will be a primary market focus for Iviewit.com's technology.

For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues etc., Iviewit.com's technology means that video streaming can finally become a revenue source. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for the small screen, grainy content prevalent on the web today and the pipeline required for serving these files is expensive. Iviewit.com's technology provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and

reducing the digital stream size required to serve them. These solutions are at the core of Iviewit.com's competitive market advantage.

For digital video distribution companies, Iviewit.com's technology is extremely attractive because it reduces the required file size to be streamed by approximately XX%. This technology will decrease the cost to business e-commerce sites and intellectual property owners, thus making it more economical and causing an increase in demand for digital video distribution.

In summary, the marketing potential for Iviewit.com's technology is substantial. The Company will engage in a high profile launch campaign designed to build awareness for its technology with all the key market influencers and then concentrate on a licensing program to populate its technology among b2b and b2c internet sites.

Market Opportunity for Digital Imaging

Companies are increasingly using digital imaging to promote their products and present information on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat two-dimensional images offering a limited field of view. The alternative, immersive imaging (the ability to create the viewing perspective of being inside the image), is becoming increasingly popular with many web sites, but is still labor intensive, requires proprietary hardware and severely distorts the image after magnification of 1-2 times.

In contrast, Iviewit.com's technology allows for high quality, full screen imaging with zoomable images and panoramic images of up to 360 degrees with very high levels of zoomability. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. Iviewit.com processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. Plus the process, which requires only ?? minutes per image, is not labor intensive and can be quickly processed. As a result, Iviewit.com will be offer higher quality technology and lower image processing costs than its competitors.

Market Penetration

Iviewit.com has already begun to sell its technology to various corporations and is currently in negotiations with the following potential clients:

- | | |
|--|---|
| <ul style="list-style-type: none">• 2500 Partners• 3Com• Americanenterprises.com• Armstrong Blum Manufacturing• Atlas Entertainment• Big Entertainment, Inc.• Boca Resort & Beach Club | <ul style="list-style-type: none">• Internet Entertainment Group, Inc.• KidsCamp.com• Lovemate.com• Machineweb.com• Playboy• Sportsline.com• Thehealthnetwork.com |
|--|---|

- | | |
|---|---|
| <ul style="list-style-type: none"> • Centrack • Divine Interventions • Ezlinksgolf.com • Hyatt Hotels & Resorts | <ul style="list-style-type: none"> • University of Florida • Versifi • Webcasts.com • West Palm Beach Lexus |
|---|---|

Iviewit.com has identified various markets to target with its imaging and video streaming technology. (Please see Attachment B titled "Potential Markets for Iviewit.com's Video & Imaging Technology" for a list of target markets.) Initially, Iviewit.com has mainly targeted the Automotive, Health Care, Executive Search, Modeling, Casting and Dating Services industries.

Because this is a nascent market and there are no benchmarks for pricing and market penetration, the company has based the planned market penetration strategy (outlined in the next two sections) on the following information:

- Iviewit.com's contract negotiations with current clients
- Iviewit.com's understanding of what companies are willing to pay for this technology

Iviewit.com realizes that the needs and budget for each company vary tremendously. In response to this, Iviewit.com will need to specially craft a licensing contract with each company. However, the following pricing strategy gives an overall projection of what companies on average will be charged for Iviewit.com's video streaming and imaging products and services.

Pricing - Video Streaming

Iviewit.com will require a license to process a video source into an Iviewit.com file to be streamed over the Internet. The annual licensing fee will depend on the number of distributed servers that the company uses for its web site. The rationale behind this is that the license fee should be greater if the technology is being used and exploited by a larger number of users. And generally, web sites that have larger number of users require additional distributed servers. Iviewit.com has decided to use distributed servers as a usage benchmark (instead of number of hits to the web site streaming the video) because of the relative ease in auditing the use.

Iviewit.com will also charge a per minute fee for the processing of the video. Depending on the needs of the client, the processing of the video will vary greatly. For a client that does not require additional touch-ups to its video (i.e. a video segment on a local community college), the amount of labor to process the video is minimal and the cost will be approximately \$5 a minute to process. However, for a ~~major~~ company that has invested large amounts of money in a commercial advertisement (i.e. a Volkswagen commercial for the VW Bug), the inherent flaws to the video can be touched up by Iviewit.com. This process will be extremely labor intensive, thus it will cost approximately \$50,000 (??) a minute to process. Normal delivery schedule is 5 working days for processing video.

Last Revised: 01/12/00

Version 1.4
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Need to discuss.

We should state that the pricing plan ~~has~~ may need to be revised up or down if market conditions warrant. There is no direct competition, so no market comps are available re: pricing.

Need to clarify whether there is a term of use on the product delivered (e.g., 1 year or perpetual).

Although not a core part of its business, Iviewit.com will offer video hosting for those clients who need a complete video streaming solution. The monthly storage, database maintenance and serving fee will be based on the number of gigabytes hosted by Iviewit.com. On average, it is expected that most sites will require XX gigabytes of storage and streaming.

The following outlines the approximate fees for licensing the technology, video processing and video hosting:

Video License Charges:	First year	Following years
Video and image master server	\$25,000	\$22,500
1st distributed server	\$12,000	\$10,800
Additional distributed servers	\$8,000	\$7,200
Video Processing	\$/min.	
Processing of VHS or S-VHS tape to video player format	\$5.00	
Processing of VHS or S-VHS tape to video player format with frame editing	\$50,000	
Video Hosting, Monthly Charges	\$/GB/mo.	
Storage and Data Base Maintenance	\$12.00	
Serving Fee	\$35.00	

Pricing - Imaging

Similar to its video streaming technology, Iviewit.com will also require a license to process a still image to a zoomable and/or panoramic Iviewit.com digital image. Plus, the licensing fee will increase with additional distributed servers used by the company.

Iviewit.com will capture, process and host the images for its customers. The price of this service will depend on the type of image that Iviewit.com creates. (Please see the section titled "Digital Imaging" under the Product and Service Description for details on the types of images Iviewit.com can create.) In addition to this per image processing fee, Iviewit.com will also charge a monthly fee for the number of connections made to the site. The site connection rate will be tiered and the monthly minimum fee will be \$150.

The following outlines the approximate fees for licensing the imaging technology, capturing, processing and hosting, and connecting to the site:

Image License Charges:	First year	Following years
Image only master server	\$1,800	\$1,620
distributed server	\$800	\$720
Image Capture, Processing and Hosting:	Each	
Single shot	\$68	
Quarter Pan and Zoom	\$225	
Half Pan and Zoom	\$435	
Three quarter Pan and Zoom	\$655	
Full Pan and Zoom	\$855	
Monthly Charge Schedule Based on Site Connections:	Rate \$	
Schedule 1 - 1 to 4,999 hits	0.10	
Schedule 2 - 5,000 to 9,999 hits	0.07	
Schedule 3 - 10,000 to 24,999 hits	0.05	
Schedule 4 - 25,000 + hits	0.03	
Monthly minimum of \$150		

Launch Strategy

In order to receive the required visibility from consumers, business e-commerce sites, intellectual property owners, digital distributors and Wall Street, Iviewit.com plans to launch its video streaming technology with a high profile entertainment event. Iviewit.com is currently in discussions with the producers of i.m.Nomad to use Iviewit.com's technology to stream the mini-series. Plus, Iviewit.com will receive significant recognition as the technology driving the high quality video streaming. The following is a description of the event:

i.m.Nomad is a breakthrough short-form, entertainment mini-series consisting of 15 four-minute episodes and crafted for the Internet. These erotic, episodic and wholly interactive stories, combined with behind-the-scenes footage, will form the basis for a one-hour pay TV special.

Grd DVD release

i.m.Nomad stars three of the world's most high profile and successful supermodels: *Sports Illustrated* cover girl Heidi Klum, Chanel spokesperson Estella Warren and *Victoria's Secret* model Rachel Roberts. These internationally recognized beauty stars will perform for the first time ever in the nude. Each will assume a different identity, which will be characterized with stylized, signature body art. Heidi Klum, Estella Warren and Rachel Roberts will actively promote the venture in all forms of media as part of an orchestrated worldwide campaign, which includes: Internet viral marketing and magazine, television and radio interviews.

Iviewit.com feels the concept and demographic of this mini-series best targets its consumers. This mini-series will attract mainly a male audience, which is the majority of broadband users. Also, the extension of the mini-series over 15 weeks allows more time for PR and major promotions.

Another launch initiative being considered by Iviewit.com is to forge strategic alliances with Pay-Per-View companies to produce live events with well-known artists such as Billy Joel, CSNY and Dixie Chicks.

(Broadcast.com,
Atomfilms.com,
DEN.net, etc.)

Competitor Analysis

Streaming Media

Iviewit.com's competitors for its streaming media technology are companies that provide encoding services. In contrast, companies that are software providers (i.e. Microsoft's Media Player and RealNetworks' RealPlayer), digital distributors (i.e. InterVU and iBeam) and ~~broadband~~ content providers (i.e. DEN) will benefit from the increased use of Iviewit.com's technology and potentially could be strategic partners or licensees.

players?

The following describes the major competitors to Iviewit.com in the encoding industry:

- **Loudeye** - Loudeye, originally encoding.com, is a provider of digitizing and encoding services. The company offers expertise in streaming media production and delivering high-quality, cost-effective output. Loudeye's Optimized Encoding Process™ and proprietary software offers a robust solution for media compression. Loudeye has converted more than 500,000 minutes of audio and video to Internet-playable formats. The company's partnership with platform developers such as Microsoft, Apple and RealNetworks allows first-to-market technologies and codec support.
- **Sonic Foundry** - Sonic Foundry, Inc. is a provider of PC-based software products that enable users to easily work with and edit digital media. Sonic Foundry's products are used worldwide for multimedia and Internet applications, music and audio post-production, broadcast production, and digital content creation. Sonic Foundry's products and services offer media consumers the ability to capture and create media, edit the content, and deliver the information via fixed media or electronic distribution. The Company's products are designed to run under both the Windows and Windows NT operating systems.
- **VideoDome.com** - VideoDome.com is a provider of Internet video OnDemand solutions. Using its InstaStream system, the company enables the conversion of standard video footage to video on demand. VideoDome.com offers inexpensive and automated solutions to broadcasting media either via a listing in the VideoDome OnDemand Channel Directory, your own existing web site, or a dedicated channel with various features including chat, user subscription options and client customization. Videodome.com garners over half a million OnDemand video requests across its networks every month.

Digital Imaging

There are various companies offering digital imaging services over the Internet. However, as described in the Product and Services section, Iviewit.com offers full screen higher quality images that are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. None of Iviewit.com's competitors can provide this type of quality imaging.

The following describes the major competitors to Iviewit.com in the digital imaging industry:

I would start by saying that there are no direct competitors in streaming video. It's more than encoding (by a lot), and it's not a player. The encoding analysis may result in Iviewit being priced and analyzed like an encoding company, which it is not. Ok to list the encoding companies, per above, but maybe soften by saying that it's the closest thing to a competitor, but that it truly is a different product.

- **Bamboo.com** – Bamboo.com provides virtual tours of real estate properties for sale or rent in more than 100 metropolitan areas across the US and Canada. The tours allow users to view the inside and outside of properties, panning right and left or zooming in for a better look. Bamboo.com charges real estate agents a one-time fee to videotape a property, convert the videotape into a virtual tour, and distribute the tour through Internet sites or e-mail. The company markets its tours through agreements with Web sites such as REALTOR.com and HomeBuilder.com.
- **Interactive Pictures Corporation (IPIX)** - Interactive Pictures puts you in the picture. The company's IPIX technology is used by travel and hospitality (Marriott), publishing (New York Times), real estate (ERA), education (National Geographic), and entertainment (Disney) companies to enhance multimedia content, interactivity, and e-commerce on Web sites. Its Wizard software (sold on a per-use basis) converts two photos taken with a digital camera into one IPIX image. The company also sells IPIX-ready digital cameras and accessories and offers multimedia services. Interactive Pictures, whose shareholders include investor Lee Martin, Motorola, MediaOne, and GE Capital, is merging with Bamboo.com.
- **Live Picture / MGI Software** – Live Picture, Inc. (LPI) provides Internet imaging and is the inventor of zoomable images for the Internet. Live Picture develops and sells a complete suite of image servers and Internet and consumer applications based on its Zoom image technology. Live Picture products are used for creating, managing, and distributing highly detailed images for network and print applications. Live Picture offers several viewing options, including its patent-pending Universal Viewing technology, which requires no special client software, as well as Java applets and plug-ins for advanced viewing and high-resolution printing. With Live Pictures servers, images download quickly, even over typical modem connections, because they're based on Flashpix and the Internet Imaging Protocol (IIP); open standards invented by Live Picture to rapidly stream images, regardless of size.
- **Ulead Systems, Inc.** – Ulead Systems was founded in 1989 to develop and market Windows-based imaging and video production tools that empower people to share their ideas and memories more easily and creatively. Their mission is to provide easier, faster and superior imaging, video, 3D and Internet software for business and personal communications. Ulead products serve millions of users worldwide and have won extensive industry recognition.

Company	Full Screen	Singe Image Zoom	Image Distortion	Pixelation Upon Zoom	Panning Ability
Bamboo	Yes	Yes	Yes	Yes	Up, Dn, Lt, Rt
IPIX	No	Yes	Yes	Yes	Lt, Rt
MGI Software	No	Yes	Yes	Yes	Up, Dn, Lt, Rt
Ulead	No	No	Yes	Yes	Up, Dn, Lt, Rt
Iviewit.com	Yes	Yes	No	No	Up, Dn, Lt, Rt

Table 1.0 - Imaging Competitor Analysis

Do we know how the competitors price their products? Would be very relevant.

Timeline

Date	Milestone
January 31, 2000	Close First Round of Financing - \$10 - \$25 Million
	Secure Content for Launch of Iviewit.com
	Begin Viral Marketing Campaign of Iviewit.com
February - April, 2000	Hire Key Executives and Staff
April 15, 2000	Official Marketing Campaign Begins
	Sales & Marketing Team Approaching Potential Clients
May 15, 2000	Official Launch of Iviewit.com
July 2000	Begin to Generate Revenue for 30 Second Video Segments
October 2000	Begin to Generate Revenue for 3 Minute Video Segments
	Breakeven for Iviewit.com
?	Close Second Round of Financing
December 2001	Initial Public Offering

Do we need this?
Is it a pre- IPO round?

Let's discuss adding a section re: joint ventures w/ content holders in entertainment industry. 3 way JV, between iviewit, bandwith company and content holder.

Financial Analysis

(Need to update the financials to reflect Imaging and Video Streaming revenues, as well as direct expenses.)

Financial Highlights

Based on the revenue and expense assumptions described in the following two sections, the net margin for Year Two is approximately 40% and break-even occurs by the 10th month of Year One.

Iviewit.com plans to make an Initial Public Offering by the end of Year 2001. The monthly projected net income by the time of the Offering will be approximately \$2 million. Iviewit.com will require financing of approximately \$20 million to carry it to IPO. The primary use of funds will be to secure a first-class management team to quickly grow the company.

Revenue Assumptions

(Still need market penetration numbers)

Expenses Assumptions

(Brian: I need to better understand the direct costs for the video processing and the image processing)

The majority of SG&A expenses are for salaries and marketing. The monthly salary expense in Year One is approximately \$360,000 and the monthly marketing expense is \$250,000. Iviewit.com has assumed that these amounts will increase by 10% in Year Two. The other major expenditure is in the amount of \$3 million for the i.m.Nomad mini-series to launch Iviewit.com's technology.

Seen hist.

Not spending nearly that much. Also note that it is recouped out of profits.

Attachment A – Financial Statements



"Iviewit Financial
Projections 1.1.xls"

Attachment B – Potential Markets for Iviewit.com's Video & Imaging Technology

Market	Video	Image
3D Graphics		X
Advertising	X	X
Art		X
Automotive *	X	X
Commercial Properties	X	X
Computer Games	X	X
Entertainment	X	X
Executive Search, Modeling, Casting & Dating Services *	X	X
Health Care *	X	X
High value Auctions	X	X
High-end Luxury (e.g. Boats & Airplanes)	X	X
Hotels & Resorts	X	X
Image Libraries		X
Medical Imaging	X	X
Military & Government	X	X
Residential Properties	X	X
Software applications	X	
Sports	X	X

* Iviewit.com is actively pursuing these markets

Why not for back?
 Still image of
 Disney theme park
 attractions? Head shot
 of an actor/model?

Epstein, Alan

From: Kathy Yeung [kathyyeung@sroconsultants.com]
Sent: Wednesday, January 12, 2000 6:04 PM
To: kathyyeung@sroconsultants.com; caroldr@att.net; utley_b@bellsouth.net; alps@netline.net; aepstein@ahjtw.com; heather@megalv.com; meganyc@aol.com
Subject: Business Plan Version 1.4

Iviewit Business Plan
Version ...

This copy of the business plan includes pricing information. We are still working on getting market penetration projections, thus the financials are not yet completed. However, I have updated the financial spreadsheets, and the sections that are marked yellow still need to be filled in in order to complete the financials.

Please review and I would like to begin getting specific comments back on the business plan. Therefore, if everyone could open the document, enable the edit feature on the document, just type in your comments/edits, and email the file back to me, I would appreciate it.

For those of you not familiar with the edit feature, just open the Word document, go into Tools, Track Changes, Highlight Changes, and then make sure that "Track Changes While Editing", "Highlight Changes on Screen", and "Highligh Changes in Printed Dcoument" are all marked. After making the edits, save the document with your name at the end (so I can keep track of everyone's edits), and just send it back to me. I would like to get everyone's comments by the end of tomorrow (Thursday).

We are still hoping to have a finished document by the end of the week, so everyone's quick response is encouraged and appreciated.

If you have any questions, feel free to call me.
Best,
Kathy

Iviewit.com, LLC Business Plan

Iviewit
business plan

Contact Information:

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Confidentiality Statement

This business plan and the exhibits hereto (collectively, the "Plan") have been submitted on a confidential basis for use by a limited number of sophisticated investors or acquirers (the "Investor(s)") solely for, and should be used only in connection with, an Investor's consideration of an investment in Iviewit.com LLC, (the "Company"). Its use for any other purpose is not authorized. Any reproduction or distribution of the Plan, or re-transmittal of its contents, in whole or in part, without the prior written consent of the Company is prohibited.

This Plan contains certain information of a highly confidential nature, including projections by the Company's management of the Company's performance and other material of a forward-looking nature. The receipt of this Plan constitutes an agreement on the part of the recipient hereof to maintain the confidentiality of the information contained herein or any additional information subsequently delivered in connection herewith. Investors who accept this Plan or become aware of the information contained herein must understand and comply with the extensive restrictions imposed by Federal and State securities laws upon their ability to disclose information contained herein to others or to participate in or otherwise effect or facilitate any transaction relating to any securities of the Company. Investors who cannot comply fully with such restrictions should not review the information contained herein and should immediately return this Plan to the Company.

Name

Company

Date

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Executive Summary

(The Executive Summary will be a 1 – 1 ½ page quick and powerful overview. This is necessary since most investors have just enough attention for one page of reading. Once the rest of the business plan is finished, this part will fall out of it.)

The major issues I anticipate to be discussed will be as follows:

- Briefly explain the current challenge over the Internet for high quality streaming video, and that no one has come close to creating an acceptable quality, until now.
- Describe iviewit.com's video streaming product, its patents, and its ability to provide VHS quality over broadband to the computer. Explain that it runs 50% - 80% more efficient, therefore more cost efficient. Discuss the economic implications of this efficiency.
- Explain how iviewit.com will distribute the product: licensing the process, and that the conversion will be done at iviewit.com.
- Explain the vast number of opportunities that can be had with video steaming.
- Explain how iviewit.com plans to initially penetrate the market and what a small percentage of the whole market this is:
 1. 30 second commercials; at \$1,000 a second.
 2. 3 minute infomercials, product manuals, etc.; at \$180,000 each.
- Explain how this is just video streaming over the Internet, however there are many more applications that can be used with this technology, thus iviewit.com is not just a one product company.
- Brief description of vast experience of the management team
- Key financial analysis:
 - 50% growth in revenues each quarter
 - Approximate overhead expenses
 - Profit, return rates
 - When iviewit.com expects to break-even
 - How much money iviewit.com is looking for in this round of financing
 - Iviewit.com's plans to do an IPO

Company

Company Background

Iviewit.com LLC, located in Boca Raton, Florida, was formed in 1999 under the laws of the state of Delaware. Iviewit.com was formed to research, develop and sell various Internet based products and services to the vast growing e-commerce market. Iviewit.com has developed a state-of-the-art proprietary technology enabling full screen, TV quality streaming video and digital imaging for the Internet. The streaming video can be seen by both broadband and modem users with no download time required. The digital imaging allows for full screen still images or panoramas that can be magnified with minimal image distortion.

- Brian: I need some feedback on the following: What the company has been doing since inception (i.e. primarily Imaging and working on patents for the video streaming). Describe at what stage the Imaging business is at (i.e. key clients like Hyatt, amount of revenues, expected revenues, etc.)

Future Plans for Iviewit.com

(I need to talk to Brian and work on this section more.)

Iviewit.com has found the growth opportunity for its video streaming technology to be greater than its digital imaging. Thus, once it has secured funding, Iviewit.com will focus on developing its video streaming business.

Iviewit.com plans to increase its current number of employees of XX to 53 employees over the next year. The new business focus will allow for revenues of \$XX and \$XX. Iviewit.com plans to take the company for an Initial Public Offering by the end of Year 2001.

Key Management

- **Brian Utley, President and Chief Operating Officer** - Mr. Utley has been involved in the computer industry since 1955, 37 years of which were with IBM. He has been in senior management and executive positions since 1965 culminating in his responsibility as Vice President and General Manager of IBM Boca Raton with a population of over 6,000 professionals. During his career he has been responsible for advanced technology product development on many fronts. In addition he was responsible for a number of IBM's overseas activities including product development, product management and market development. The most notable of which was the introduction of the IBM PC to Europe. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results.

Although Mr. Utley's vast experience is a tremendous asset to the company, Iviewit.com understands that it needs to assemble a highly qualified and diverse management team.

Once funding is secure, Iviewit.com will place the following key positions within 60 days:

- Chief Financial Officer
- Chief Technology Officer
- EVP of Sales & Marketing

Board of Directors

- **Simon Bernstein, Chairman of the Board** - Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over \$800 million in life premium sales. Mr. Bernstein's career in the life insurance industry began in 1965 when he became the top producer for Aetna Life and Casualty Company. He has remained in the top 5% of life insurance sales agencies since that time. Mr. Bernstein is currently a qualifying and life member of the Million Dollar Round Table.
- **Gerald R. Lewin** - Gerald Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. In 1981, Mr. Lewin joined Donald Goldstein to form Goldstein Lewin & Co., which currently has approximately 30 accountants. Mr. Lewin specializes in business consulting and is highly knowledgeable in many aspects of accounting, tax and financial planning. Mr. Lewin is a member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

Strategic Partners & Investors

- **Real 3D®, Inc.** – Iviewit.com is currently in a strategic partnership with Real 3D who is providing hosting, serving and technology enhancement services. Real 3D has participated in the technology evaluation phase of Iviewit.com's proprietary Imaging and Video Streaming products. Real 3D has found Iviewit.com's web-based products to offer an extraordinary high-resolution panoramic view capability that can have many uses in the e-commerce arena.
- **Huizenga Holdings, Inc.** - Huizenga Holdings Inc. through Investech Holdings, LLC is the founding equity partner of Iviewit.com. Huizenga Holdings Inc. brings a strategic portfolio of Internet investments and businesses, which has helped fuel the expansion of Iviewit.com's video and imaging technology.
- **Armstrong Hirsch Jackoway Tyerman & Wertheimer** - Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C. is one of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology

companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting Iviewit.com in developing the business structure of the Company.

- ***Proskauer Rose*** - Proskauer Rose LLP is one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients through the United States and around the world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.

Industry Analysis

Broadband Industry

The market for high-speed, or broadband access to the Internet from home is expanding at a rapid pace. According to Forrester Research, an industry research firm, more than 5 million U.S. households are expected to have broadband Internet access via cable modems, DSL telephone lines or direct satellite by the end of 2000, increasing to almost 19 million households by the end of 2002. These broadband systems typically allow sustained data transfer to the user of at least 256 kilobits per second, or approximately 5 times the access speed of the fastest standard narrowband modems. While this market is growing rapidly, it presently accounts for less than 2% of the Internet users online today. Accordingly, most companies involved in the development of technology and content for the Web are focusing on solutions that are intended to provide an acceptable experience for the predominant narrowband customer, while offering an improved version of the same experience to broadband users.

Streaming Media Industry

A quickening pace of development in both broadband technology and content parallels the increase in Internet access speed. Multimedia streaming technology is bringing new levels of versatility, quality and simplicity to the creation and distribution of multimedia content over the Web. One measure of the growth in use of streaming media is the number of registered users posted by RealNetworks, a company that develops software used by broadcasters to stream multi-media content over the Internet. The first RealPlayer was released in 1995, and to date over 80 million unique users have been registered. The RealPlayer download rate now exceeds 175,000 per day, an increase of more than 270% since the beginning of 1997.

The emergence of rich multimedia capabilities, such as streaming audio and video, will continue to enhance the effectiveness of the Web as a mass communications medium and Intranets as a means to improve corporate communications. Content delivered through traditional media, such as television and radio, will be increasingly delivered over the Internet.

Competitor Analysis

Due to the increase in opportunity with streaming media over broadband, there are many companies competing to offer high quality streaming over the Internet. Iviewit.com has reviewed and evaluated its technology to comparable products of major competitors. The following are the major characteristics that are important in providing consumers an uninterrupted, high quality video streaming experience:

- *Full Screen vs. Reduced Screen* – Due to the large amount of bandwidth required for streaming video, many companies can only offer the video stream on a reduced screen in order to enhance the quality of the video.

- *TV Quality vs. Grainy Picture* – Due to the constraints of the pipeline, the picture is often interrupted with hiccups, which break up the picture or cause the picture to be grainy.
- *Streaming vs. Downloading* – Due to the large amount of time and hard drive space required for downloading, most consumers prefer to have their video streamed in real time. In addition, there are many piracy issues associated with downloading, thus many content owners do not allow downloading of its audio or video content. The benefit of downloading is that it provides a higher quality picture for the end user.
- *Standard Player Software vs. Proprietary Downloaded Players* – The standard player software included on Microsoft's Operating System is Windows Media Player and RealPlayer. Some companies require the end user to download their own proprietary players, which is sometimes time consuming and burdensome for consumers.
- *Standard Plug-ins vs. Proprietary Downloaded Plug-ins* – Once again, many companies require the end user to download their own proprietary plug-ins in order to stream media.

The following is a table that compares Iviewit.com's technology with its major competitors, as well as brief descriptions on each of the competitors.

Company	Full Screen	TV Quality	Streaming	Non-Proprietary Video Player	No Plug-in Download
TheDen.com	√	√	√		
MS Media Player	√			√	√
On2.com	√	√	√		
Pixelon	√	√			
RealNetworks	√		√	√	√
Iviewit.com	√	√	√	√	√

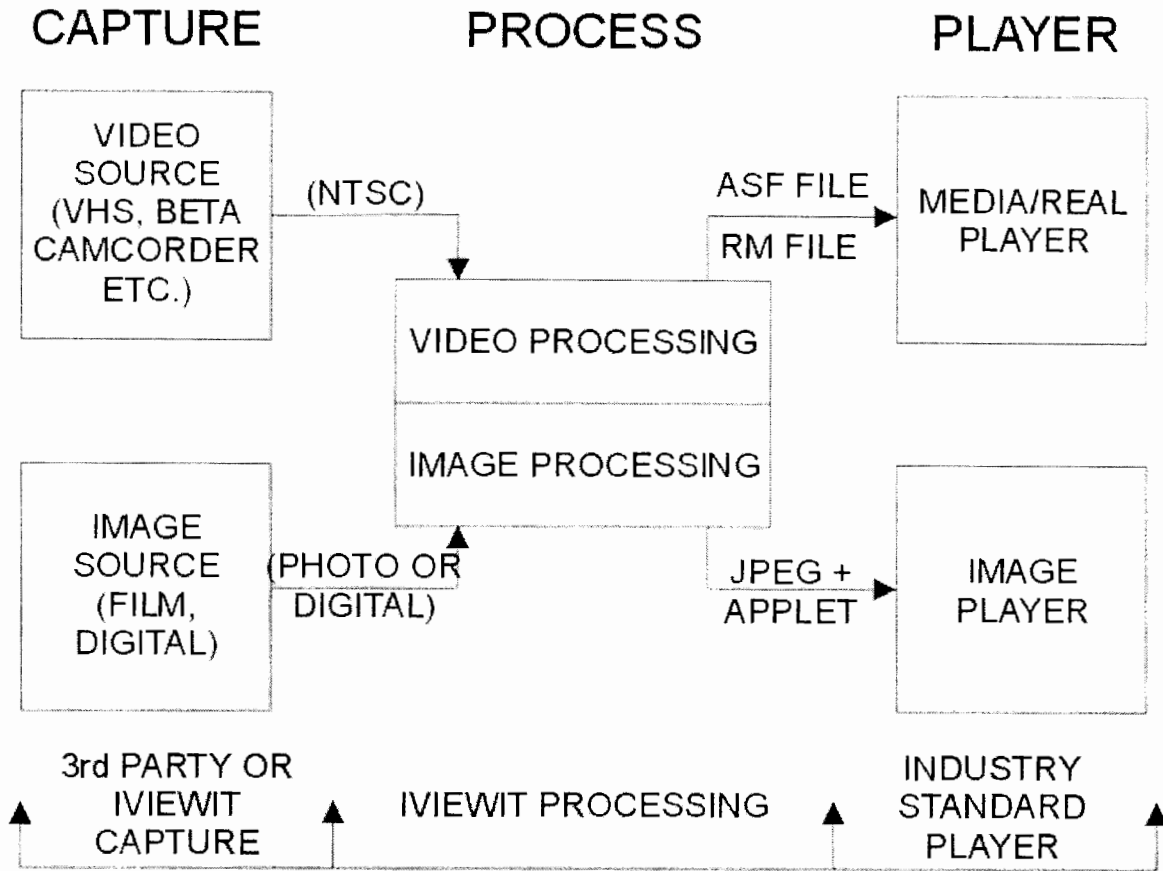
Table 1.0 – Features of Streaming Video Competitors

- **Digital Entertainment Network (DEN)** – DEN produces and delivers Internet-based digital entertainment and information services. The company has created a digital media network to provide an online destination for youth to access original, youth-oriented, interactive entertainment and music, participate in building online communities and purchase consumer goods and services.
- **Microsoft's Media Player** – Microsoft's Windows Media Technologies provide the ability to create, deliver and play streaming media files over the Internet. Windows Media Technologies components include the Windows Media Tools, Windows Media Services streaming server, and Windows Media Player.
- **On2.com** – On2.com is developing a network of Web channels for broadband-enabled consumers that combines television-quality video with the interactive capabilities of the Internet. The On2.com broadband network will be powered by the Company's proprietary video compression and streaming software, TrueMotion VP3. This service will be available to broadband users. On2.com's overall strategy is to position itself as the early leader in broadband Internet content and technology.
- **Pixelon** – Pixelon is positioning itself as "the future of broadcasting" over the Internet. The company uses a proprietary player and is an advertiser supported

network. The broadcasting provides full screen, full motion, CD Audio and TV Quality Video. Pixelon held a highly publicized launch event on Halloween weekend 1999; featuring a concert in Las Vegas starring The Who, KISS, The Dixie Chicks, Brian Setzer and several other artists.

- **RealNetworks** – RealNetworks provides media delivery and distribution solutions designed for the Internet. RealNetworks' solutions enable consumers to experience and content providers to deliver a broad range of multimedia content, including audio, video, text and animation.

IVIEWIT PROCESS TECHNOLOGY



PROCESS

iviewit's impressive image and video products are the result of several years of development focused on the entire process of image/video acquisition through delivery over the web. Care has been taken to maintain industry interface standards such as NTSC, Media player and Real Player in order to preserve the broadest possible range of application. The result is industry leadership products without requiring special downloads or equipment. iviewit processes are proprietary and protected as trade secrets and patents filed with the U.S. patent office.

search?

VIDEO

Internet ready digital files are produced from virtually any source producing NTSC (US) compatible or IEEE 1394 firewire interfaces. Other interfaces such as PAL or SECAM can be accommodated. The output digital files are MS Media Player or RealNetworks

Real Player compatible. Individual files are produced for either modem or broadband use. The proprietary process is extendable to include video acquisition. Even though this phase is not a pre-requisite, improvements in final video quality are attainable by using iviewit's total video process. A TV interface adapter is planned which allows a PC monitor output to be connected to a TV set. Using a TV in this way further enhances the quality of the video due to the fact that a TV set is optimized to displaying video type images.

IMAGING

iviewit offers a wide range of "over the web" high quality, full screen imaging. Images range from stills to zoomable images and panoramic images of up to 360 degrees with very high levels of zoomability. Images produced by iviewit's image process are tailored to the bandwidth of the receiving system in order to minimize download times. Output file sizes typically range from 30KB to 2-400KB for a full 360 degree panorama. Source material may be conventional emulsion type film or digital. Special photographic techniques are employed to ensure the final quality of the process (garbage in, garbage out). iviewit processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1.

OFFERING

iviewit will

(The following is part of the initial outline...points that we can still consider)

Video Streaming Technology

- Explain the process of converting the video (Insert graphic on the process of converting video source to a streaming video) and its application
- Describe iviewit.com's technology as it relates to the above process
 - Runs 50% - 80% more efficient, therefore more cost efficient
 - VHS quality streaming
 - Explain the current production process (6 buttons to push).
 - Explain the cost and time of the production process; (takes 3 hours to process 1 hour of content; 1 full time operator can process 24 hours of content in one day).
 - Explain the reliability, maintenance and/or updating factors
 - Requires streaming capability of approximately 100Kb to produce high quality streaming
 - Turn around time of 1 day for the product
 - Retain the control of the black box and quality of process by doing it at iviewit.com
- Describe the Facility required to process the video content

- Discuss the evaluation made by REAL 3D
- Discuss future development plans for the product and timing of developments
 - Explain the expected future production process (1 button to push)

Digital Imaging Technology

(This section should be much shorter than the above)

- Explain the technology and which major industries can benefit from it
- Currently working on a Hyatt Hotel, (Any others?)
- Revenue model:
 - Photoshoot: 15% of \$6,000
 - Annual licensing fee: \$1,800
 - Per click fee: \$.03 - \$.10 a click, with a minimum of \$140 per month
- Explain that it is a very valuable technology with great potential, but not as large as the video. Thus the company is exploring possibilities of a master licensing partnership in order to focus its efforts on the video streaming technology.

Proprietary Features

(Alan: Could you possibly help with this information? Just need a couple paragraphs.)

- Discuss Patents and Status of Patents
- Copyrights, trademarks or servicemarks, if applicable

Additional applications from the technology

- Ability to split the information to the television for better quality picture
- Video-conferencing
- (Others?)

Market Opportunity & Penetration Strategy

Market Opportunity for Video Streaming

Streaming media is now the most widely used application after browsers and online programs like AOL on the Internet... and it is growing exponentially. Microsoft's Media Player, RealNetworks suite of players and Apple's Quick Time Player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, *on demand*.

The pipe to deliver "fat" content to Internet users worldwide is being laid by cable operators, phone companies, satellite operators and fiber optic network companies. US cable modem subscribers are expected to increase to 3.3 M in 2000 (up from 1.6M in 1999). DSL customers (serviced by phone companies) will nearly triple to 1.4M in 2000 from 500,000 in 1999.¹ The advent of broadband network connectivity in the mass market is at hand; serving notice to anyone with content to sell or promote that it's time to get serious about developing broadband enhanced content distribution strategies.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies mentioned above. Iviewit.com's suite of technologies will positively affect and benefit all these parties.

For consumers who have a broadband pipe in their homes, streaming video is the "killer app." It defines the reason for paying between USD \$40-50 per month for the increased bandwidth. It means that consumers can *see* the entertainment, news, product commercials, infomercials and education videos they want at near TV quality. RealNetworks G2 Player download rate options, at the high end, still only support a CD ROM display at approximately half the computer screen space. Iviewit.com's technology will enhance any media player operating on a broadband network and provide video quality full screen streaming media.

For Business to Business (b2b) e-commerce sites, Iviewit.com's technology will provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product manuals through Iviewit.com's proprietary system, business e-commerce sites can leverage their video investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality full screen video. Licensing these b2b sites will be a primary market focus for Iviewit.com's technology.

For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues etc., Iviewit.com's technology means that video streaming can finally become a revenue source. Most of these firms have

¹ Broadband Intelligence July 1999

already begun to stream promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for less than full-screen video quality streams and the pipeline required for serving these files is expensive. Iviewit.com's technology provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and reducing the file size required to serve them. These solutions are at the core of Iviewit.com's competitive market advantage.

For digital video distribution companies, Iviewit.com's technology is extremely attractive because it reduces the required file size to be streamed. (Brian: we need to insert the quantitative metrics that speaks to what the reduction in file size is after video goes through Iviewit.com's process.)

In summary, the marketing potential for Iviewit.com's technology is substantial. The Company will engage in a high profile launch campaign designed to build awareness for its technology with all the key market influencers and then concentrate on a licensing program to populate its technology among b2b and b2c internet sites.

Market Penetration Strategy

Given the market opportunity, Iviewit.com will penetrate two major markets in two separate phases. Iviewit.com's goal is to initially sell through short video segments to major corporations who have already invested capital in television marketing. The following describes the two phases and the projected penetration into each market.

Phase One – Iviewit.com will initially target major corporations who have significant budgets to produce and broadcast television commercials. Iviewit.com will license its technology to process 30-second videos at a price of \$1,000 per second (\$30,000 per 30-second commercial). Iviewit.com expects to generate revenue for these 30-second commercials by July 2000.

Phase Two – The next target market will be business e-commerce sites that have a need to offer web site infomercials, product manuals, product announcements and other 3 minute video segments on demand over the Internet. Iviewit.com will license its technology to process the 3-minute videos at a price of \$180,000. Iviewit.com expects to enter this market by October 2000.

Penetration Rate – Iviewit.com expects to initially sell twelve 30-seconds licenses and two 3-minute video licenses. The plan is to grow the number of licenses sold every quarter by 50%. The following table outlines the expected number of licenses to be sold:

Video Product	July – Sept 2000	Oct – Dec 2000	Jan – Mar 2001	Apr – June 2001	July – Sept 2001	Oct – Dec 2001
30-Second	36	54	81	122	182	273
3-Minute	0	6	9	14	20	30

Table 2.0 – Projected Number of Licenses To Be Sold

(We need to insert the number of 30-second commercials produced each year, to show that our penetration rate is a small percentage of the total market.)

Distribution – One of the largest challenges in selling Iviewit.com’s technology is to educate the customer of the benefits to streaming video, and to prove that Iviewit.com’s technology provides the highest quality experience. As a result, Iviewit.com plans to hire top-notch sales people with strong relationships in the Fortune 1000 advertising business to make direct sales. In addition, Iviewit.com is considering creating a partnership with a digital distribution company (i.e. InterVU, iBeam, Vstream, etc.), in order to provide customers with a total streaming solution, as well as to leverage relationships between both companies.

Benefits to Customers – In marketing this technology to business e-commerce sites, there are various benefits to the company. Not only will companies be able to leverage their existing commercial assets, but they will also be able to better target potential customers over the Internet. Being able to provide a commercial on demand for someone interested in purchasing a Nissan Pathfinder can be much more powerful and cost effective than running television commercials. Plus, with Iviewit.com’s high-quality streaming, the customer receives an overall better experience.

With the longer video segments, this is an opportunity for companies with complex products to better educate their consumers. Companies who spend large amounts of money on infomercials can also provide the video information on demand at their web site. Plus, companies with products that require directions to assemble can provide video instructions over the Internet.

Branding – The strongest attribute of Iviewit.com’s technology is its superior streaming quality over competitors. End consumers will be able to witness this when viewing videos over the Internet. However, Iviewit.com wants to also insure the quality of the process of transferring the Beta SP video to an Iviewit.com streaming media file. Thus, Iviewit.com has decided to maintain control of this process by transferring the video in-house.

In addition to branding Iviewit.com as a high quality technology, Iviewit.com plans to also brand its name to end users. Similar to “Intel Inside”, Iviewit.com will watermark its streaming video with the company name.

Launch Strategy

In order to receive the required visibility from consumers, business e-commerce sites, intellectual property owners, digital distributors and Wall Street, Iviewit.com plans to launch its technology with a high profile entertainment event. Iviewit.com is currently in discussions with the producers of i.m.Nomad to use Iviewit.com’s technology to stream the mini-series. Plus, Iviewit.com will receive significant recognition as the technology driving the high quality video streaming. The following is a description of the event:

i.m.Nomad is a breakthrough short-form, entertainment mini-series consisting of 15 four-minute episodes and crafted for the Internet. These erotic, episodic and wholly interactive stories, combined with behind-the-scenes footage, will form the basis for a one-hour pay TV special.

i.m.Nomad stars three of the world's most high profile and successful supermodels: *Sports Illustrated* cover girl Heidi Klum, Chanel spokesperson Estella Warren and *Victoria's Secret* model Rachel Roberts. These internationally recognized beauty stars will perform for the first time ever in the nude. Each will assume a different identity, which will be characterized with stylized, signature body art. Heidi Klum, Estella Warren and Rachel Roberts will actively promote the venture in all forms of media as part of an orchestrated worldwide campaign, which includes: Internet viral marketing and magazine, television and radio interviews.

Iviewit.com feels the concept and demographic of this mini-series best targets its consumers. This mini-series will attract mainly a male audience, which is the majority of broadband users. Also, the extension of the mini-series over 15 weeks allows more time for PR and major promotions.

Timeline

Date	Milestone
January 31, 2000	Close First Round of Financing - \$10 - \$25 Million
	Secure Content for Launch of Iviewit.com
	Begin Viral Marketing Campaign of Iviewit.com
February – April, 2000	Hire Key Executives and Staff
April 15, 2000	Official Marketing Campaign Begins
	Sales & Marketing Team Approaching Potential Clients
May 15, 2000	Official Launch of Iviewit.com
July 2000	Begin to Generate Revenue for 30 Second Video Segments
October 2000	Begin to Generate Revenue for 3 Minute Video Segments
	Breakeven for Iviewit.com
?	Close Second Round of Financing
December 2001	Initial Public Offering

Financial Analysis

Financial Highlights

Based on the revenue and expense assumptions described in the following two sections, the net margin for Year Two is approximately 40% and break-even occurs by the 10th month of Year One.

Iviewit.com plans to make an Initial Public Offering by the end of Year 2001. The monthly projected net income by the time of the Offering will be approximately \$2 million. Iviewit.com will require financing of approximately \$20 million to carry it to IPO. The primary use of funds will be to secure a first-class management team to quickly grow the company.

Revenue Assumptions

The revenues are based on the Two Phase Plan described in the section titled "Market Penetration Strategy". Phase One assumes that Iviewit.com will begin to license its technology by July 2000 for twelve 30-second video segments at a price of \$1,000 a second (\$30,000 for a 30-second video segment). Every quarter the number of segments sold will increase by 50%.

Phase Two assumes that Iviewit.com will begin to license its technology by October 2000 for two 3-minute video segments at a price of \$180,000 per 3-minute video. Every quarter the number of segments sold will increase by 50%.

Iviewit.com believes the revenue model to be conservative since it does not include Digital Imaging revenues.

Expenses Assumptions

(Brian: I need to better understand the direct costs for the process of transforming Beta-SP to Iviewit.com's streaming media, not including labor)

The majority of SG&A expenses are for salaries and marketing. The monthly salary expense in Year One is approximately \$360,000 and the monthly marketing expense is \$250,000. Iviewit.com has assumed that these amounts will increase by 10% in Year Two. The other major expenditure is in the amount of \$3 million for the i.m.Nomad mini-series to launch Iviewit.com's technology.

Attachment A – Financial Statements

Epstein, Alan

From: Kathy Yeung [kathyyeung@sroconsultants.com]
Sent: Thursday, January 06, 2000 3:05 PM
To: kathyyeung@sroconsultants.com; caroldr@att.net; utley_b@bellsouth.net; alps@netline.net; aepstein@ahjtw.com; heather@megalv.com; meganyc@aol.com
Subject: Updated Version 1.2

Iviewit Business Plan
Version ...

Here is another version which includes Brian's product description.

Best,
Kathy

Iviewit.com, LLC Business Plan

Contact Information:

Brian G. Utley, President & COO
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One Boca Place
2255 Glades Road, Suite 337W
Boca Raton, Florida 33431
561-999-8899 ext. 304
brian@iviewit.com

Confidentiality Statement

This business plan and the exhibits hereto (collectively, the “Plan”) have been submitted on a confidential basis for use by a limited number of sophisticated investors or acquirers (the “Investor(s)”) solely for, and should be used only in connection with, an Investor’s consideration of an investment in Iviewit.com LLC, (the “Company”). Its use for any other purpose is not authorized. Any reproduction or distribution of the Plan, or retransmittal of its contents, in whole or in part, without the prior written consent of the Company is prohibited.

This Plan contains certain information of a highly confidential nature, including projections by the Company’s management of the Company’s performance and other material of a forward-looking nature. The receipt of this Plan constitutes an agreement on the part of the recipient hereof to maintain the confidentiality of the information contained herein or any additional information subsequently delivered in connection herewith. Investors who accept this Plan or become aware of the information contained herein must understand and comply with the extensive restrictions imposed by Federal and State securities laws upon their ability to disclose information contained herein to others or to participate in or otherwise effect or facilitate any transaction relating to any securities of the Company. Investors who cannot comply fully with such restrictions should not review the information contained herein and should immediately return this Plan to the Company.

Name

Company

Date

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Executive Summary

(The Executive Summary will be a 1 – 1 ½ page quick and powerful overview. This is necessary since most investors have just enough attention for one page of reading. Once the rest of the business plan is finished, this part will fall out of it.)

The major issues I anticipate to be discussed will be as follows:

- Briefly explain the current challenge over the Internet for high quality streaming video, and that no one has come close to creating an acceptable quality, until now.
- Describe iviewit.com's video streaming product, its patents, and its ability to provide VHS quality over broadband to the computer. Explain that it runs 50% - 80% more efficient, therefore more cost efficient. Discuss the economic implications of this efficiency.
- Explain how iviewit.com will distribute the product: licensing the process, and that the conversion will be done at iviewit.com.
- Explain the vast number of opportunities that can be had with video steaming.
- Explain how iviewit.com plans to initially penetrate the market and what a small percentage of the whole market this is:
 1. 30 second commercials; at \$1,000 a second.
 2. 3 minute infomercials, product manuals, etc.; at \$180,000 each.
- Explain how this is just video streaming over the Internet, however there are many more applications that can be used with this technology, thus iviewit.com is not just a one product company.
- Brief description of vast experience of the management team
- Key financial analysis:
 - 50% growth in revenues each quarter
 - Approximate overhead expenses
 - Profit, return rates
 - When iviewit.com expects to break-even
 - How much money iviewit.com is looking for in this round of financing
 - Iviewit.com's plans to do an IPO

Company

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- **Brian Utley, President and Chief Operating Officer** - Mr. Utley has been involved in the computer industry since 1955, 37 years of which were with IBM. He has been in senior management and executive positions since 1965 culminating in his responsibility as Vice President and General Manager of IBM Boca Raton with a population of over 6,000 professionals. During his career he has been responsible for advanced technology product development on many fronts. In addition he was responsible for a number of IBM's overseas activities including product development, product management and market development. The most notable of which was the introduction of the IBM PC to Europe. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results.

Although Mr. Utley's vast experience is a tremendous asset to the company, Iviewit.com understands that it needs to assemble a highly qualified and diverse management team.

Once funding is secure, Iviewit.com will place the following key positions within 60 days:

- Chief Financial Officer
- Chief Technology Officer
- EVP of Sales & Marketing

Board of Directors

- **Simon Bernstein, Chairman of the Board** - Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over \$800 million in life premium sales. Mr. Bernstein's career in the life insurance industry began in 1965 when he became the top producer for Aetna Life and Casualty Company. He has remained in the top 5% of life insurance sales agencies since that time. Mr. Bernstein is currently a qualifying and life member of the Million Dollar Round Table.
- **Gerald R. Lewin** - Gerald Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. In 1981, Mr. Lewin joined Donald Goldstein to form Goldstein Lewin & Co., which currently has approximately 30 accountants. Mr. Lewin specializes in business consulting and is highly knowledgeable in many aspects of accounting, tax and financial planning. Mr. Lewin is a member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

Strategic Partners & Investors

- **Real 3D®, Inc.** – Iviewit.com is currently in a strategic partnership with Real 3D who is providing hosting, serving and technology enhancement services. Real 3D has participated in the technology evaluation phase of Iviewit.com's proprietary Imaging and Video Streaming products. Real 3D has found Iviewit.com's web-based products to offer an extraordinary high-resolution panoramic view capability that can have many uses in the e-commerce arena.
- **Huizenga Holdings, Inc.** - Huizenga Holdings Inc. through Investech Holdings, LLC is the founding equity partner of Iviewit.com. Huizenga Holdings Inc. brings a strategic portfolio of Internet investments and businesses, which has helped fuel the expansion of Iviewit.com's video and imaging technology.
- **Armstrong Hirsch Jackoway Tyerman & Wertheimer** - Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C. is one of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology

companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting Iviewit.com in developing the business structure of the Company.

- ***Proskauer Rose*** - Proskauer Rose LLP is one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients through the United States and around the world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.

Industry Analysis

Broadband Industry

The market for high-speed, or broadband access to the Internet from home is expanding at a rapid pace. According to Forrester Research, an industry research firm, more than 5 million U.S. households are expected to have broadband Internet access via cable modems, DSL telephone lines or direct satellite by the end of 2000, increasing to almost 19 million households by the end of 2002. These broadband systems typically allow sustained data transfer to the user of at least 256 kilobits per second, or approximately 5 times the access speed of the fastest standard narrowband modems. While this market is growing rapidly, it presently accounts for less than 2% of the Internet users online today. Accordingly, most companies involved in the development of technology and content for the Web are focusing on solutions that are intended to provide an acceptable experience for the predominant narrowband customer, while offering an improved version of the same experience to broadband users.

Streaming Media Industry

A quickening pace of development in both broadband technology and content parallels the increase in Internet access speed. Multimedia streaming technology is bringing new levels of versatility, quality and simplicity to the creation and distribution of multimedia content over the Web. One measure of the growth in use of streaming media is the number of registered users posted by RealNetworks, a company that develops software used by broadcasters to stream multi-media content over the Internet. The first RealPlayer was released in 1995, and to date over 80 million unique users have been registered. The RealPlayer download rate now exceeds 175,000 per day, an increase of more than 270% since the beginning of 1997.

The emergence of rich multimedia capabilities, such as streaming audio and video, will continue to enhance the effectiveness of the Web as a mass communications medium and Intranets as a means to improve corporate communications. Content delivered through traditional media, such as television and radio, will be increasingly delivered over the Internet.

Competitor Analysis

Due to the increase in opportunity with streaming media over broadband, there are many companies competing to offer high quality streaming over the Internet. Iviewit.com has reviewed and evaluated its technology to comparable products of major competitors. The following are the major characteristics that are important in providing consumers an uninterrupted, high quality video streaming experience:

- *Full Screen vs. Reduced Screen* – Due to the large amount of bandwidth required for streaming video, many companies can only offer the video stream on a reduced screen in order to enhance the quality of the video.

- *TV Quality vs. Grainy Picture* – Due to the constraints of the pipeline, the picture is often interrupted with hiccups, which break up the picture or cause the picture to be grainy.
- *Streaming vs. Downloading* – Due to the large amount of time and hard drive space required for downloading, most consumers prefer to have their video streamed in real time. In addition, there are many piracy issues associated with downloading, thus many content owners do not allow downloading of its audio or video content. The benefit of downloading is that it provides a higher quality picture for the end user.
- *Standard Player Software vs. Proprietary Downloaded Players* – The standard player software included on Microsoft's Operating System is Windows Media Player and RealPlayer. Some companies require the end user to download their own proprietary players, which is sometimes time consuming and burdensome for consumers.
- *Standard Plug-ins vs. Proprietary Downloaded Plug-ins* – Once again, many companies require the end user to download their own proprietary plug-ins in order to stream media.

The following is a table that compares Iviewit.com's technology with its major competitors, as well as brief descriptions on each of the competitors.

Company	Full Screen	TV Quality	Streaming	Non-Proprietary Video Player	No Plug-in Download
TheDen.com	√	√	√		
MS Media Player	√			√	√
On2.com	√	√	√		
Pixelon	√	√			
RealNetworks	√		√	√	√
Iviewit.com	√	√	√	√	√

Table 1.0 – Features of Streaming Video Competitors

- **Digital Entertainment Network (DEN)** – DEN produces and delivers Internet-based digital entertainment and information services. The company has created a digital media network to provide an online destination for youth to access original, youth-oriented, interactive entertainment and music, participate in building online communities and purchase consumer goods and services.
- **Microsoft's Media Player** – Microsoft's Windows Media Technologies provide the ability to create, deliver and play streaming media files over the Internet. Windows Media Technologies components include the Windows Media Tools, Windows Media Services streaming server, and Windows Media Player.
- **On2.com** – On2.com is developing a network of Web channels for broadband-enabled consumers that combines television-quality video with the interactive capabilities of the Internet. The On2.com broadband network will be powered by the Company's proprietary video compression and streaming software, TrueMotion VP3. This service will be available to broadband users. On2.com's overall strategy is to position itself as the early leader in broadband Internet content and technology.
- **Pixelon** – Pixelon is positioning itself as "the future of broadcasting" over the Internet. The company uses a proprietary player and is an advertiser supported

network. The broadcasting provides full screen, full motion, CD Audio and TV Quality Video. Pixelon held a highly publicized launch event on Halloween weekend 1999; featuring a concert in Las Vegas starring The Who, KISS, The Dixie Chicks, Brian Setzer and several other artists.

- **RealNetworks** – RealNetworks provides media delivery and distribution solutions designed for the Internet. RealNetworks' solutions enable consumers to experience and content providers to deliver a broad range of multimedia content, including audio, video, text and animation.

Product Description

(Brian: I'm looking to you to really help me with this portion. If you could give me just a stream of consciousness on the products, I can incorporate it into the Plan)

Video Streaming Technology

- Explain the process of converting the video (Insert graphic on the process of converting video source to a streaming video) and its application
- Describe iviewit.com's technology as it relates to the above process
 - Runs 50% - 80% more efficient, therefore more cost efficient
 - VHS quality streaming
 - Explain the current production process (6 buttons to push).
 - Explain the cost and time of the production process; (takes 3 hours to process 1 hour of content; 1 full time operator can process 24 hours of content in one day).
 - Explain the reliability, maintenance and/or updating factors
 - Requires streaming capability of approximately 100Kb to produce high quality streaming
 - Turn around time of 1 day for the product
 - Retain the control of the black box and quality of process by doing it at iviewit.com
- Describe the Facility required to process the video content
- Discuss the evaluation made by REAL 3D
- Discuss future development plans for the product and timing of developments
 - Explain the expected future production process (1 button to push)

Digital Imaging Technology

(This section should be much shorter than the above)

- Explain the technology and which major industries can benefit from it
- Currently working on a Hyatt Hotel, (Any others?)
- Revenue model:
 - Photoshoot: 15% of \$6,000
 - Annual licensing fee: \$1,800
 - Per click fee: \$.03 - \$.10 a click, with a minimum of \$140 per month
- Explain that it is a very valuable technology with great potential, but not as large as the video. Thus the company is exploring possibilities of a master licensing partnership in order to focus its efforts on the video streaming technology.

Proprietary Features

(Alan: Could you possibly help with this information? Just need a couple paragraphs.)

- Discuss Patents and Status of Patents
- Copyrights, trademarks or servicemarks, if applicable

Additional applications from the technology

- Ability to split the information to the television for better quality picture
- Video-conferencing
- (Others?)

Market Opportunity & Penetration Strategy

Market Opportunity for Video Streaming

Streaming media is now the most widely used application after browsers and online programs like AOL on the Internet... and it is growing exponentially. Microsoft's Media Player, RealNetworks suite of players and Apple's Quick Time Player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, *on demand*.

The pipe to deliver "fat" content to Internet users worldwide is being laid by cable operators, phone companies, satellite operators and fiber optic network companies. US cable modem subscribers are expected to increase to 3.3 M in 2000 (up from 1.6M in 1999). DSL customers (serviced by phone companies) will nearly triple to 1.4M in 2000 from 500,000 in 1999.¹ The advent of broadband network connectivity in the mass market is at hand; serving notice to anyone with content to sell or promote that it's time to get serious about developing broadband enhanced content distribution strategies.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies mentioned above. Iviewit.com's suite of technologies will positively affect and benefit all these parties.

For consumers who have a broadband pipe in their homes, streaming video is the "killer app." It defines the reason for paying between USD \$40-50 per month for the increased bandwidth. It means that consumers can *see* the entertainment, news, product commercials, infomercials and education videos they want at near TV quality. RealNetworks G2 Player download rate options, at the high end, still only support a CD ROM display at approximately half the computer screen space. Iviewit.com's technology will enhance any media player operating on a broadband network and provide video quality full screen streaming media.

For Business to Business (b2b) e-commerce sites, Iviewit.com's technology will provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product manuals through Iviewit.com's proprietary system, business e-commerce sites can leverage their video investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality full screen video. Licensing these b2b sites will be a primary market focus for Iviewit.com's technology.

For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues etc., Iviewit.com's technology means that video streaming can finally become a revenue source. Most of these firms have

¹ Broadband Intelligence July 1999

already begun to stream promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for less than full-screen video quality streams and the pipeline required for serving these files is expensive. Iviewit.com's technology provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and reducing the file size required to serve them. These solutions are at the core of Iviewit.com's competitive market advantage.

For digital video distribution companies, Iviewit.com's technology is extremely attractive because it reduces the required file size to be streamed. (Brian: we need to insert the quantitative metrics that speaks to what the reduction in file size is after video goes through Iviewit.com's process.)

In summary, the marketing potential for Iviewit.com's technology is substantial. The Company will engage in a high profile launch campaign designed to build awareness for its technology with all the key market influencers and then concentrate on a licensing program to populate its technology among b2b and b2c internet sites.

Market Penetration Strategy

Given the market opportunity, Iviewit.com will penetrate two major markets in two separate phases. Iviewit.com's goal is to initially sell through short video segments to major corporations who have already invested capital in television marketing. The following describes the two phases and the projected penetration into each market.

Phase One – Iviewit.com will initially target major corporations who have significant budgets to produce and broadcast television commercials. Iviewit.com will license its technology to process 30-second videos at a price of \$1,000 per second (\$30,000 per 30-second commercial). Iviewit.com expects to generate revenue for these 30-second commercials by July 2000.

Phase Two – The next target market will be business e-commerce sites that have a need to offer web site infomercials, product manuals, product announcements and other 3 minute video segments on demand over the Internet. Iviewit.com will license its technology to process the 3-minute videos at a price of \$180,000. Iviewit.com expects to enter this market by October 2000.

Penetration Rate – Iviewit.com expects to initially sell twelve 30-seconds licenses and two 3-minute video licenses. The plan is to grow the number of licenses sold every quarter by 50%. The following table outlines the expected number of licenses to be sold:

Video Product	July – Sept 2000	Oct – Dec 2000	Jan – Mar 2001	Apr – June 2001	July – Sept 2001	Oct – Dec 2001
30-Second	36	54	81	122	182	273
3-Minute	0	6	9	14	20	30

Table 2.0 – Projected Number of Licenses To Be Sold

(We need to insert the number of 30-second commercials produced each year, to show that our penetration rate is a small percentage of the total market.)

Distribution – One of the largest challenges in selling Iviewit.com’s technology is to educate the customer of the benefits to streaming video, and to prove that Iviewit.com’s technology provides the highest quality experience. As a result, Iviewit.com plans to hire top-notch sales people with strong relationships in the Fortune 1000 advertising business to make direct sales. In addition, Iviewit.com is considering creating a partnership with a digital distribution company (i.e. InterVU, iBeam, Vstream, etc.), in order to provide customers with a total streaming solution, as well as to leverage relationships between both companies.

Benefits to Customers – In marketing this technology to business e-commerce sites, there are various benefits to the company. Not only will companies be able to leverage their existing commercial assets, but they will also be able to better target potential customers over the Internet. Being able to provide a commercial on demand for someone interested in purchasing a Nissan Pathfinder can be much more powerful and cost effective than running television commercials. Plus, with Iviewit.com’s high-quality streaming, the customer receives an overall better experience.

With the longer video segments, this is an opportunity for companies with complex products to better educate their consumers. Companies who spend large amounts of money on infomercials can also provide the video information on demand at their web site. Plus, companies with products that require directions to assemble can provide video instructions over the Internet.

Branding – The strongest attribute of Iviewit.com’s technology is its superior streaming quality over competitors. End consumers will be able to witness this when viewing videos over the Internet. However, Iviewit.com wants to also insure the quality of the process of transferring the Beta SP video to an Iviewit.com streaming media file. Thus, Iviewit.com has decided to maintain control of this process by transferring the video in-house.

In addition to branding Iviewit.com as a high quality technology, Iviewit.com plans to also brand its name to end users. Similar to “Intel Inside”, Iviewit.com will watermark its streaming video with the company name.

Launch Strategy

In order to receive the required visibility from consumers, business e-commerce sites, intellectual property owners, digital distributors and Wall Street, Iviewit.com plans to launch its technology with a high profile entertainment event. Iviewit.com is currently in discussions with the producers of i.m.Nomad to use Iviewit.com’s technology to stream the mini-series. Plus, Iviewit.com will receive significant recognition as the technology driving the high quality video streaming. The following is a description of the event:

i.m.Nomad is a breakthrough short-form, entertainment mini-series consisting of 15 four-minute episodes and crafted for the Internet. These erotic, episodic and wholly interactive stories, combined with behind-the-scenes footage, will form the basis for a one-hour pay TV special.

i.m.Nomad stars three of the world's most high profile and successful supermodels: *Sports Illustrated* cover girl Heidi Klum, Chanel spokesperson Estella Warren and *Victoria's Secret* model Rachel Roberts. These internationally recognized beauty stars will perform for the first time ever in the nude. Each will assume a different identity, which will be characterized with stylized, signature body art. Heidi Klum, Estella Warren and Rachel Roberts will actively promote the venture in all forms of media as part of an orchestrated worldwide campaign, which includes: Internet viral marketing and magazine, television and radio interviews.

Iviewit.com feels the concept and demographic of this mini-series best targets its consumers. This mini-series will attract mainly a male audience, which is the majority of broadband users. Also, the extension of the mini-series over 15 weeks allows more time for PR and major promotions.

Timeline

Date	Milestone
January 31, 2000	Close First Round of Financing - \$10 - \$25 Million
	Secure Content for Launch of Iviewit.com
	Begin Viral Marketing Campaign of Iviewit.com
February – April, 2000	Hire Key Executives and Staff
April 15, 2000	Official Marketing Campaign Begins
	Sales & Marketing Team Approaching Potential Clients
May 15, 2000	Official Launch of Iviewit.com
July 2000	Begin to Generate Revenue for 30 Second Video Segments
October 2000	Begin to Generate Revenue for 3 Minute Video Segments
	Breakeven for Iviewit.com
?	Close Second Round of Financing
December 2001	Initial Public Offering

Financial Analysis

Financial Highlights

Based on the revenue and expense assumptions described in the following two sections, the net margin for Year Two is approximately 40% and break-even occurs by the 10th month of Year One.

Iviewit.com plans to make an Initial Public Offering by the end of Year 2001. The monthly projected net income by the time of the Offering will be approximately \$2 million. Iviewit.com will require financing of approximately \$20 million to carry it to IPO. The primary use of funds will be to secure a first-class management team to quickly grow the company.

Revenue Assumptions

The revenues are based on the Two Phase Plan described in the section titled "Market Penetration Strategy". Phase One assumes that Iviewit.com will begin to license its technology by July 2000 for twelve 30-second video segments at a price of \$1,000 a second (\$30,000 for a 30-second video segment). Every quarter the number of segments sold will increase by 50%.

Phase Two assumes that Iviewit.com will begin to license its technology by October 2000 for two 3-minute video segments at a price of \$180,000 per 3-minute video. Every quarter the number of segments sold will increase by 50%.

Iviewit.com believes the revenue model to be conservative since it does not include Digital Imaging revenues.

Expenses Assumptions

(Brian: I need to better understand the direct costs for the process of transforming Beta-SP to Iviewit.com's streaming media, not including labor)

The majority of SG&A expenses are for salaries and marketing. The monthly salary expense in Year One is approximately \$360,000 and the monthly marketing expense is \$250,000. Iviewit.com has assumed that these amounts will increase by 10% in Year Two. The other major expenditure is in the amount of \$3 million for the i.m.Nomad mini-series to launch Iviewit.com's technology.

ATTACHMENT A

Iviewit.com LLC Salary Projections

Position	Year 1			Year 2		
	No.	Salary	Total Amt	No.	Salary	Total Amt
CEO/GM	1	\$ 250,000	\$ 250,000	1	\$ 275,000	\$ 275,000
Founder	1	\$ 200,000	\$ 200,000	1	\$ 220,000	\$ 220,000
CFO	1	\$ 135,000	\$ 135,000	1	\$ 148,500	\$ 148,500
CTO	1	\$ 120,000	\$ 120,000	1	\$ 132,000	\$ 132,000
EVP Sales & Marketing - Video	1	\$ 250,000	\$ 250,000	1	\$ 275,000	\$ 275,000
VP Sales & Marketing - Imaging	1	\$ 140,000	\$ 140,000	1	\$ 154,000	\$ 154,000
In-house Counsel	1	\$ 125,000	\$ 125,000	1	\$ 137,500	\$ 137,500
Controller	1	\$ 65,000	\$ 65,000	1	\$ 71,500	\$ 71,500
IT Specialists	2	\$ 70,000	\$ 140,000	2	\$ 77,000	\$ 154,000
Directors of Marketing	2	\$ 125,000	\$ 250,000	2	\$ 137,500	\$ 275,000
Salespeople - Video	6	\$ 165,000	\$ 990,000	6	\$ 181,500	\$ 1,089,000
Salespeople - Imaging	6	\$ 100,000	\$ 600,000	6	\$ 110,000	\$ 660,000
Director of Production	1	\$ 65,000	\$ 65,000	1	\$ 71,500	\$ 71,500
Webmaster	1	\$ 70,000	\$ 70,000	1	\$ 77,000	\$ 77,000
Network Admin / Site Developers	2	\$ 45,000	\$ 90,000	2	\$ 49,500	\$ 99,000
Production & Account Managers - Video	6	\$ 40,000	\$ 240,000	6	\$ 44,000	\$ 264,000
Production & Account Managers - Imaging	4	\$ 40,000	\$ 160,000	4	\$ 44,000	\$ 176,000
HR / Office Manager	1	\$ 50,000	\$ 50,000	1	\$ 55,000	\$ 55,000
Legal Assistant	1	\$ 40,000	\$ 40,000	1	\$ 44,000	\$ 44,000
Administrative Assistants	12	\$ 30,000	\$ 360,000	12	\$ 33,000	\$ 396,000
Receptionists	1	\$ 18,000	\$ 18,000	1	\$ 19,800	\$ 19,800
Annual Total	53		\$ 4,358,000	53		\$ 4,793,800
Monthly Total			\$ 363,167			\$ 399,483
Annual Increase in Salary					10%	

Epstein, Alan

From: Kathy Yeung [kathyyeung@sroconsultants.com]
Sent: Wednesday, January 05, 2000 12:15 PM
To: kathyyeung@sroconsultants.com; caroldr@att.net; utley_b@bellsouth.net; alps@netline.net; aepstein@ahjtw.com; heather@megalv.com; meganyc@aol.com
Subject: lviewit Busines Plan Version 1.1

lviewit Financial
Projections ...

lviewit Business Plan
Version ...

Happy New Year to all of you. I hope your holidays were fun and relaxing.

I have attached a new draft version of the Business Plan, plus pro forma income statements. When printing out the financials, be sure to print all worksheets (there are a total of 5 worksheets).

As all of you know, we are on a very accelerated pace in getting this business plan completed. And a critical part of completing it is to get back detailed comments and feedback from everyone as soon as possible. Elliot has set up a conference call for tomorrow at 3pm PST to review this version of the plan. Please review the plan before the call and email me your comments and notes ASAP (preferably before the call). I greatly appreciate everyone's help.

If you have any questions, please feel free to call me at 310-859-4737 work or 310-260-0124 home.

Best,
Kathy

Iviewit.com, LLC Business Plan

iz: iviewit.com /
Business Plan
File

Contact Information:

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Executive Summary

(The Executive Summary will be a 1 – 1 ½ page quick and powerful overview. This is necessary since most investors have just enough attention for one page of reading. Once the rest of the business plan is finished, this part will fall out of it.)

The major issues I anticipate to be discussed will be as follows:

- Briefly explain the current challenge over the Internet for high quality streaming video, and that no one has come close to creating an acceptable quality, until now.
- Describe iviewit.com's video streaming product, its patents, and its ability to provide VHS quality over broadband to the computer. Explain that it runs 50% - 80% more efficient, therefore more cost efficient. Discuss the economic implications of this efficiency.
- Explain how iviewit.com will distribute the product: licensing the process, and that the conversion will be done at iviewit.com.
- Explain the vast number of opportunities that can be had with video steaming.
- Explain how iviewit.com plans to initially penetrate the market and what a small percentage of the whole market this is:
 1. 30 second commercials; at \$1,000 a second.
 2. 3 minute infomercials, product manuals, etc.; at \$180,000 each.
- Explain how this is just video streaming over the Internet, however there are many more applications that can be used with this technology, thus iviewit.com is not just a one product company.
- Brief description of vast experience of the management team
- Key financial analysis:
 - 50% growth in revenues each quarter
 - Approximate overhead expenses
 - Profit, return rates
 - When iviewit.com expects to break-even
 - How much money iviewit.com is looking for in this round of financing
 - Iviewit.com's plans to do an IPO

Company

Company Background

- How the company came into being.
- Date of incorporation. Currently LLC of Delaware, soon filing for C-Corp.
- Where the company currently is located, number of employees.
- What the company has been doing since inception: primarily Imaging and working on patents for the video streaming. Describe at what stage the Imaging business is at (i.e. key clients like Hyatt, amount of revenues, expected revenues, etc.)

Future Plans for Iviewit.com

- To focus on the Video Streaming; a Broadband play.
- Explain the goals of the company over the next couple years: growth in employees, structure of company, revenue growth, IPO plans, etc.

Key Management

(There will be a short description of the diverse wealth of experience brought to the team. I think this portion needs to be beefed up. I will edit the Bios later.)

- **Brian Utley, President and Chief Operating Officer** - Mr. Utley has been involved in the computer industry since 1955, 37 years of which were with IBM. He has been in senior management and executive positions since 1965 culminating in his responsibility as Vice President and General Manager of IBM Boca Raton with a population of over 6000 professionals. During his career he has been responsible for advanced technology product development on many fronts. In addition he was responsible for a number of IBM's overseas activities including product development, product management and market development. The most notable of which was the introduction of the IBM PC to Europe. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results. He brings this wealth of experience to Iviewit.com LLCTM and is motivated by the opportunity to develop yet another milestone in the evolution of modern technology. He also believes that the advances in imaging and video presentation which Iviewit.com, LLCTM have accomplished are important to the development of e-commerce on the Internet.

Board of Advisors

- **Simon Bernstein** - Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over \$800 million in life premium sales. Mr. Bernstein's career in the life insurance industry began in 1965 when he became the top producer for Aetna Life and Casualty Company. He has remained in the top 5%

of life insurance sales agencies since that time. Mr. Bernstein is currently a qualifying and life member of the Million Dollar Round Table. He has appeared before the House Ways and Means Committee and has been a guest speaker at the New York University Institution on Federal Taxation.

- **Gerald R. Lewin** - Gerald Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. Mr. Lewin received a Bachelor of Science degree from Wayne State University in 1970. After his association with a medium-size accounting firm in Detroit for two years, he went on to become a partner and remain with the firm until he left Michigan. In 1981, Mr. Lewin relocated to Florida and joined with Donald Goldstein to form Goldstein Lewin & Co. Currently the firm has approximately 30 accountants. As one of the founding partners, he specializes in business consulting and is highly knowledgeable in many aspects of accounting, tax and financial planning. Mr. Lewin is a member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

Strategic Partners & Investors

(I will include short descriptions for these partners. We need to think about other potential strategic partners, i.e. are we going to investigate partnerships with digital distributors, AOL, Cox?)

- Real 3D®, Inc.
- Huizenga Holdings, Inc./INVESTTECH Holdings, LLC
- Proskauer Rose LLP
- Armstrong Hirsch Jackoway Tyerman & Wertheimer

Industry Analysis

Streaming Media Industry

- Description of the Streaming Media Industry
 - Discuss the participants who are affected by streaming media; end consumers, business e-commerce sites, digital distributors, and intellectual property owners.
- Include comments from Bill Gates' Keynote Address from Streaming Media Conference
- Discuss why the trend has moved away from downloading and towards streaming
- Describe other trends that affect the Industry

Broadband Industry

- Explain Broadband
- Market assessment of Broadband
 - Currently approximately 5 million users have broadband access
 - Discuss the expected growth of Broadband users

Competitor Analysis

Discuss the competitors and their strengths and weaknesses compared to iviewit.com.

- Microsoft Media Technology Player
- Real Network
- Pixelon
- Payforview.com
- On2.com
- GMV Networks
- Other indirect competitors who are primarily content providers: Launch.com, Broadcast.com

Product Description

(Brian: I'm looking to you to really help me with this portion. If you could give me just a stream of consciousness on the products, I can incorporate it into the Plan)

Video Streaming Technology

- Explain the process of converting the video (Insert graphic on the process of converting video source to a streaming video) and its application
- Describe iviewit.com's technology as it relates to the above process
 - Runs 50% - 80% more efficient, therefore more cost efficient
 - VHS quality streaming
 - Explain the current production process (6 buttons to push).
 - Explain the cost and time of the production process; (takes 3 hours to process 1 hour of content; 1 full time operator can process 24 hours of content in one day).
 - Explain the reliability, maintenance and/or updating factors
 - Requires streaming capability of approximately 100Kb to produce high quality streaming
 - Turn around time of 1 day for the product
 - Retain the control of the black box and quality of process by doing it at iviewit.com
- Describe the Facility required to process the video content
- Discuss the evaluation made by REAL 3D
- Discuss future development plans for the product and timing of developments
 - Explain the expected future production process (1 button to push)

Imaging Technology

(This section should be much shorter than the above)

- Explain the technology and which major industries can benefit from it
- Currently working on a Hyatt Hotel, (Any others?)
- Revenue model:
 - Photoshoot: 15% of \$6,000
 - Annual licensing fee: \$1,800
 - Per click fee: \$.03 - \$.10 a click, with a minimum of \$140 per month
- Explain that it is a very valuable technology with great potential, but not as large as the video. Thus the company is exploring possibilities of a master licensing partnership in order to focus its efforts on the video streaming technology.

Proprietary Features

(Alan: Could you possibly help with this information? Just need a couple paragraphs.)

- Discuss Patents and Status of Patents
- Copyrights, trademarks or servicemarks, if applicable

Additional applications from the technology

- Ability to split the information to the television for better quality picture
- Video-conferencing
- (Others?)

Market Opportunity & Penetration Strategy

(Danny and Heather: I could use your help in market assessment and the launch strategy. Plus, informations on what large corporations generally spend for advertising, so that we can show that our pricing is relatively small.)

Market Opportunity for Video Streaming

- Discuss all parties involved in video streaming and how they will be affected/benefit from video streaming
 - end consumers
 - business e-commerce sites
 - intellectual property owners
 - digital distribution
- Describe the opportunity with business e-commerce sites 30 second commercial segments and estimate the total market size
- Describe the opportunity with business e-commerce sites with 3 minute video segments for infomercials, product manuals, product announcements, etc. and estimate the total market size

Marketing Strategy

- Phase I – Penetration of business e-commerce sites of 30 second commercial segments
- Phase 2 – Penetration of business e-commerce sites for infomercials, product manuals, product announcements and other 3 minute video segments
- Pricing
 - Price of \$1,000 per second for 30 second commercials; Price of \$180,000 per 3 minute video
 - Show reasonableness of price and penetration rate
- Distribution
 - Licensing
 - Direct Sales Force with extensive sales contacts and experience
 - Partnering with digital distribution
- Branding
 - Similar to “Intel Inside”, plan to watermark video with “iviewit.com” on it
 - Maintain quality of process and service by doing the process in-house
- Benefits to business e-commerce sites
 - Leverage their existing commercial assets
 - Opportunity to better target potential customers
 - Mitigate customer service issues
 - Better customer experience
 - Opportunity for companies who have complex products to better educate consumers

Launch Strategy

(Still unclear as to what the launch strategy is. Are we doing multiple events? Smaller initial events and later a larger one? For now I'm assuming that we are doing the major event with the models. Please comment.)

- Original production of 15 4-minute episodes (Danny & Heather, can we get a description of the production, as well as on which sites it will reside at?)
- Timing of the launch
- Why this launch is ideal given the demographic of Broadband users, and the PR that it will be able to generate.

Timeline

(Please add other significant milestones)

Date	Milestone
January 31, 2000	Close First Round of Financing - \$10 - \$25 Million
	Secure Content for Launch of Iviewit.com
	Begin Viral Marketing Campaign of Iviewit.com
February – April, 2000	Hire Key Executives and Staff
April 15, 2000	Official Marketing Campaign Begins
	Sales & Marketing Team Approaching Potential Clients
May 15, 2000	Official Launch of Iviewit.com
July 2000	Begin to Generate Revenue for 30 Second Video Segments
October 2000	Begin to Generate Revenue for 3 Minute Video Segments
	Breakeven for Iviewit.com
?	Close Second Round of Financing
?	Initial Public Offering

Financial Analysis

Financial Highlights

- Funding Requirements by January 31, 2000
- Breakeven point
- Profitability results
- Use of Funds
- IPO Plans

Revenue

- Explain the assumptions for revenues
 - Begin revenues from twelve 30-second video segments by July 2000, at a growth rate of 50% every quarter. Price is \$1,000 per second.
 - Begin revenues from two 3-minute video segments by October 2000, at a growth rate of 50% every quarter. Price is \$180,000 per 3-minute video.
- Explain that the revenue model is conservative since it does not include Imaging revenues.
- Approximate revenues at end of 2000 and end of 2001

Expenses

- Estimated monthly overhead costs.
- Overview of staffing costs
- Marketing costs
- (Brian: I will need estimates of maintenance costs for the production facility, plus any other significant costs. Most basic overhead costs I will build in as a percentage of salary or revenues.)

Attachment A – Financial Statements

(I will attach monthly, two-year projected Income Statements.)

Epstein, Alan

From: Kathy Yeung [kathyyeung@sroconsultants.com]
Sent: Thursday, December 23, 1999 6:42 PM
To: kathyyeung@sroconsultants.com; caroldr@att.net; utley_b@bellsouth.net; alps1@netline.net; aepstein@ahjtw.com; heather@megalv.com; meganync@aol.com
Subject: Outline for iviewit.com Business Plan

Iviewit Business Plan

Version ...

I have attached an outline for the Business Plan. As you'll see, all the text written in blue are notes addressed to you; they're not part of the business plan. If you could respond to the notes, if applicable, I would greatly appreciate it.

I've given it some thought, and I think there are a couple areas that would make the business plan more powerful.

1) We need to place some more key people on the Board of Directors/Advisors. And even if we can't place them before January, we need to at least list types of people we're going to go after to put on the Board. (i.e. a couple gurus in the Streaming Media Industry, an Executive from a Fortune 100 Company that can advise on our 30 second and 3 minute market penetration strategy, a guy from a digital distribution company, etc.) We need to round the team out some more and get some more big names.

2) Since now we know that we want to initially penetrate the 30 second commercial market with major corporations, it would be very powerful to get a couple major companies to commit. That will help validate that companies will pay \$1,000 a second and there is demand. Right now our proof of market demand is weak. Normally we would need to do primary research, such as a survey or focus groups, to prove that there is demand for this product. Obviously we don't have the time for this, so this could be a good substitute.

It was a pleasure meeting all of you. Best wishes for a Happy Holiday. If you need to get a hold of me, you can always reach me on my cell phone at 310-890-3338. I will be checking email a couple times over the next week. So you can also leave me a message there.

Best to all.
Kathy



Iviewit.com, LLC Business Plan

Handwritten note circled in black: *Tip: i view it / Business Plan*

Contact Information:

Brian G. Utley, President & COO
Iviewit.com
One Boca Place
2255 Glades Road, Suite 337W
Boca Raton, Florida 33431
561-999-8899 ext. 304
brian@iviewit.com

Confidentiality Statement

This business plan and the exhibits hereto (collectively, the “Plan”) have been submitted on a confidential basis for use by a limited number of sophisticated investors or acquirers (the “Investor(s)”) solely for, and should be used only in connection with, an Investor’s consideration of an investment in Iviewit.com LLC, (the “Company”). Its use for any other purpose is not authorized. Any reproduction or distribution of the Plan, or re-transmittal of its contents, in whole or in part, without the prior written consent of the Company is prohibited.

This Plan contains certain information of a highly confidential nature, including projections by the Company’s management of the Company’s performance and other material of a forward-looking nature. The receipt of this Plan constitutes an agreement on the part of the recipient hereof to maintain the confidentiality of the information contained herein or any additional information subsequently delivered in connection herewith. Investors who accept this Plan or become aware of the information contained herein must understand and comply with the extensive restrictions imposed by Federal and State securities laws upon their ability to disclose information contained herein to others or to participate in or otherwise effect or facilitate any transaction relating to any securities of the Company. Investors who cannot comply fully with such restrictions should not review the information contained herein and should immediately return this Plan to the Company.

Name

Company

Date

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Executive Summary

(The Executive Summary will be a 1 – 1 ½ page quick and powerful overview. This is necessary since most investors have just enough attention for one page of reading. Once the rest of the business plan is finished, this part will fall out of it.)

The major issues I anticipate to be discussed will be as follows:

- Briefly explain the current challenge over the Internet for high quality streaming video, and that no one has come close to creating an acceptable quality, until now.
- Describe iviewit.com's video streaming product, its patents, and its ability to provide VHS quality over broadband to the computer. Explain that it runs 50% - 80% more efficient, therefore more cost efficient. Discuss the economic implications of this efficiency.
- Explain how iviewit.com will distribute the product: licensing the process, and that the conversion will be done at iviewit.com.
- Explain the vast number of opportunities that can be had with video steaming.
- Explain how iviewit.com plans to initially penetrate the market and what a small percentage of the whole market this is:
 1. 30 second commercials; at \$1,000 a second.
 2. 3 minute infomercials, product manuals, etc.; at \$180,000 each.
- Explain how this is just video streaming over the Internet, however there are many more applications that can be used with this technology, thus iviewit.com is not just a one product company.
- Brief description of vast experience of the management team
- Key financial analysis:
 - 50% growth in revenues each quarter
 - Approximate overhead expenses
 - Profit, return rates
 - When iviewit.com expects to break-even
 - How much money iviewit.com is looking for in this round of financing
 - Iviewit.com's plans to do an IPO

Company

Company Background

Iviewit.com LLC, located in Boca Raton, Florida, was formed in 1999 under the laws of the state of Delaware. Iviewit.com was formed to research, develop, license and sell various Internet based products and services to the vast growing e-commerce market. Iviewit.com has developed a state-of-the-art proprietary technology enabling full screen, TV quality streaming video and digital imaging for the Internet. The streaming video can be seen by both broadband and modem users with no download time required. The digital imaging allows for full screen still images or panoramas that can be magnified with minimal image distortion.

Refining technology

Securing & filing 8 patents

Opened offices, hired employees, installed systems, developed strategic partners and relationships.

Secured Angel financing

Formed National Sales Group

Current client negotiations

- Hyatt
- Webcasts.com
- Centrack
- Thehealthnetwork.com
- Americanenterprises.com
- KidsCamp.com
- Ezlinksgolf.com
- Boca Resorts & Hotel
- Armstrong Blum Manufacturing
- Divine Interventions
- Lovemate.com
- University of Florida
- Big Entertainment, Inc.
- 3Com
- Versifi
- Playboy
- Internet Entertainment Group, Inc.
- Atlas Entertainment
- Machinweb.com
- Sportsline.com
- West Palm Beach Lexus
- 2500 Partners
-
- Brian: I need some feedback on the following: What the company has been doing since inception (i.e. primarily Imaging and working on patents for the video

streaming). Describe at what stage the Imaging business is at (i.e. key clients like Hyatt, amount of revenues, expected revenues, etc.)

Future Plans for Iviewit.com

(I need to talk to Brian and work on this section more.) (Brian to fill in by 1/6/2000 late pm)

Iviewit.com has found the growth opportunity for its proprietary visual Internet medias, video streaming technology to be greater than its digital imaging. Thus, once it has secured funding, Iviewit.com will focus initially on developing its video streaming business as the primary focus, building the imaging business as client needs arise.

Iviewit.com plans to increase its current number of employees of ~~40~~ 10 to 53 employees over the next year. The new business focus will allow for revenues of \$XX and \$XX. Iviewit.com plans to take the company for an Initial Public Offering by the end of Year 2001.

Key Management

Brian Utley, President and Chief Operating Officer - Mr. Utley has been involved in the computer industry since 1955, 37 years of which were with IBM. He has been in senior management and executive positions since 1965 culminating in his responsibility as Vice President and General Manager of IBM Boca Raton with a population of over 6,000 professionals. During his career he has been responsible for advanced technology product development on many fronts. In addition he was responsible for a number of IBM's overseas activities including product development, product management and market development. The most notable of which was the introduction of the IBM PC to Europe. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results.

- ***Eliot I. Bernstein***

Mr. Bernstein, a graduate of University of Wisconsin, spent 15 years in a highly successful insurance career while constantly creating innovative computer based, multimedia marketing tools. During this time, Eliot created powerful and unique database and interactive multimedia marketing products. These products remain in use today to service over \$1 billion of insurance business. Eliot is accustomed to servicing only the best clients including Marvin Davis Companies and The Irvine Company. In 1998, like many entrepreneurs, Eliot chose to risk everything to pursue his dream of creating visual applications for the internet and iviewit.com was born. He has combined his passion for photography with a burning desire to see the internet evolve from a text-based medium to a visual tool.

Anybody else?

Although Mr. Utley's vast experience is a tremendous asset to the company, Iviewit.com understands that it needs to assemble a highly qualified and diverse management team.

Once funding is secure, Iviewit.com will place the following key positions within 60 days:

Chief Executive Officer

- Chief Financial Officer
- Chief Technology Officer
- EVP of Sales & Marketing
-

Board of Directors

- Eliot I. Bernstein, Founder
- Brian G. Utley, President & COO
- ***Simon L. Bernstein, Chairman of the Board*** - Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over \$800 million in life premium sales. Mr. Bernstein's career in the life insurance industry began in 1965 when he became the top producer for Aetna Life and Casualty Company. He has remained in the top 5% of life insurance sales agencies since that time. Mr. Bernstein is currently a qualifying and life member of the Million Dollar Round Table.
- ***Gerald R. Lewin*** - Gerald Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. In 1981, Mr. Lewin joined Donald Goldstein to form Goldstein Lewin & Co., which currently has approximately 30 accountants. Mr. Lewin specializes in business consulting and is highly knowledgeable in many aspects of accounting, tax and financial planning. Mr. Lewin is a member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

Consultants

- Danny Socolof
- Mike McGinely

Advisory Board

- Donald G. Kane
- Alan Epstein
- Christopher C. Wheeler???

Think of anyone else????

Strategic Partners & Investors

- ***Real 3D®, Inc.*** – Iviewit.com is currently in a strategic partnership with Real 3D who is providing hosting, serving and technology enhancement services. Real 3D has participated in the technology evaluation phase of Iviewit.com's proprietary Imaging and Video Streaming products. Real 3D has found Iviewit.com's web-based products to offer an extraordinary high-resolution panoramic view capability that can have many uses in the e-commerce arena.
- ***Huizenga Holdings, Inc.*** - Huizenga Holdings Inc. through Investech Holdings, LLC is the founding equity partner of Iviewit.com. Huizenga Holdings Inc. brings a strategic portfolio of Internet investments and businesses, which has helped fuel the expansion of Iviewit.com's video and imaging technology.
- ***Armstrong Hirsch Jackoway Tyerman & Wertheimer*** - Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C. is one of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting Iviewit.com in developing the business structure of the Company.
- ***Proskauer Rose*** - *Proskauer Rose LLP is one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients through the United States and around the world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.*
- ***Kenneth Rubenstein - patent counsel***
KENNETH RUBENSTEIN
PARTNER
NEW YORK, NY OFFICE
Phone: 212.969.3185
Fax: 212.969.2900
Email: KRUBENSTEIN@PROSKAUER.COM
Contact: KENNETH RUBENSTEIN

Department
LITIGATION & DISPUTE RESOLUTION

Practice(s)

INTELLECTUAL PROPERTY

ANTITRUST

LICENSING / COMPUTER SOFTWARE

COPYRIGHT

COMMERCIAL LITIGATION

REGULATORY / FCC

TRADEMARK

INTERNATIONAL

ISRAEL

JAPAN

PACIFIC RIM

NEW MEDIA AND TECHNOLOGY

INTERNET COMMERCE

LICENSING / GENERAL COMMERCIAL

LICENSING / ENTERTAINMENT

REGULATORY / FTC

PATENT

NON-COMPETE & TRADE SECRETS

Bar Admission(s)

1983 NEW YORK

1983 NEW JERSEY

Court Admission(s)

1983 U.S. DISTRICT COURT, NEW JERSEY

1983 U.S. DISTRICT COURT, NEW YORK, EASTERN DISTRICT

1983 U.S. DISTRICT COURT, NEW YORK, SOUTHERN DISTRICT

Education

NEW YORK LAW SCHOOL, J.D., CUM LAUDE, 1983

MASSACHUSETTS INSTITUTE OF TECHNOLOGY, PH.D., 1979

MASSACHUSETTS INSTITUTE OF TECHNOLOGY, B.S., 1975

Bar Affiliation(s)

REGISTERED PATENT ATTORNEY BEFORE THE UNITED STATES
PATENT AND TRADEMARK OFFICE, 1982

Ken received his Ph.D. in physics from the Massachusetts Institute of Technology where he also graduated with a B.S. Degree.

Ken received his law degree, cum laude, from New York Law School. He is a registered patent attorney before the U.S. Patent & Trademark Office. Ken is a former member of the legal staff at Bell Laboratories.

For the past several years Ken has worked on the formation of a patent pool for MPEG-2 technology, first on behalf of CableLabs, the research and development consortium of the cable TV industry, and now on behalf of MPEG LA LLC, an entity set up to license MPEG-2 essential patents. In particular, Ken worked on selecting those patents which are "essential" to the MPEG-2 standard and therefore suitable for inclusion in the pool. He worked with major consumer electronics companies and set top makers in doing this job. Under this arrangement, the MPEG-2 "essential" patents of a number of major companies are being made available in a single license. The pool has been operational since July 1996 and now has over fifty licensees.

Ken and his associates are now working on another patent pool involving large consumer electronics and entertainment companies concerning DVD technology.

Ken counsels his clients with respect to the validity and infringement of competitors' patents, as well as prosecutes patent applications. Such clients include the Institute of Microelectronics, a research and development laboratory of the government of Singapore; Standard Microsystems, an IC and local area network component company; C-Cube Microsystems, a developer of video encoder and decoder chips; Divicom, a developer of video encoders and decoders; Starlight Networks, a developer of video server software; and Maker Communications, Inc., a developer of multimode integrated circuits. Ken also represents the Taiwanese semiconductor companies Winbond and Vanguard. In the area of cryptography, Ken represents Bellcore and CableLabs. He has in the past also represented Tele-TV, a joint venture of NYNEX, Bell Atlantic and Pacific Telesis.

For the Industrial Technology Research Institute (ITRI), a national laboratory of the Republic of China, he manages a worldwide patent program in computers, communications and consumer electronics. For Bellcore, Ken has procured numerous patents in technical areas such as digital signal processing including speech and image processing, database management, artificial intelligence, packet switching, ISDN technology, and cryptography. For NYNEX, he has prepared and prosecuted patent applications in artificial intelligence, spread spectrum communications and advanced telephone services.

In the areas of licensing, technology transfer and joint development, Ken successfully concluded a major cross-license negotiation between AT&T and ITRI. He also negotiated a joint development agreement for a multiprocessor computer between ITRI and INTEL Corporation. He has litigated patent infringement cases related to Local Area Networks and related to SRAMs.

Ken and his wife Randee, a social worker, have four children, Ari, Sara, Debbie and Rebecca. Ken enjoys reading and baseball.

- Meltzer Lippe Goldstein Raymond Joao Patent counsel
Joao to describe in two paragraphs status and scope of patents and trademarks
- ***Americanenterprise.com*** - *Man is an emotional animal. Fear and Love are amongst the most powerful of man's emotions and are the very things that explain why greater than 70% of all of the internet page views are related to health care and the health care industry. Recognizing the importance of this market segment, iviewit.com has strategically aligned with the leading portal for the aggregation and dissemination of health care information. Americanenterprise.com and iviewit.com have entered into a strategic alliance to make accessible health care related video and imaging content to consumers, employers, physicians,*

government agencies (e.g. medicare, Social Security) and suppliers (e.g. pharmaceutical companies). Americanenterprise.com is building a private network comprised of 262 hubs located throughout North America. This network is more robust than the top 30-40 portals combined. Americanenterprise.com is an extraordinary alliance for iviewit.com. In addition to the content opportunities with the countless entities who will utilize this network, iviewit.com will also gain access to Americanenterprise's other national and international strategic alliance partners which number 18 in the areas of communications, software, hardware and integration and include 3M, IDX, MCI Worldcom, Uunet, ICON, Infogear, Telegent and EDS. Americanenterprise.com employs 6600 people and is planning it's own public offering in 2000. They enjoyed EBIT of \$40 million on revenues of \$150 million in 1999 and project 130% revenue growth and 250% EBIT growth by the end of 2001. The health care industry is a \$1.2 trillion business today and will grow to \$2.5 trillion by the year 2005. iviewit.com is ideally positioned, through this alliance, to participate in this tremendous growth.

- Doc McGhee -

Industry Analysis

Broadband Industry

The market for high-speed, or broadband access to the Internet from home is expanding at a rapid pace. According to Forrester Research, an industry research firm, more than 5 million U.S. households are expected to have broadband Internet access via cable modems, DSL telephone lines or direct satellite by the end of 2000, increasing to almost 19 million households by the end of 2002. These broadband systems typically allow sustained data transfer to the user of at least 256 kilobits per second, or approximately 5 times the access speed of the fastest standard narrowband modems. While this market is growing rapidly, it presently accounts for less than 2% of the Internet users online today. Accordingly, most companies involved in the development of technology and content for the Web are focusing on solutions that are intended to provide an acceptable experience for the predominant narrowband customer, while offering an improved version of the same experience to broadband users.

Broadband is a huge industry with trillions into the future and billions today - cable is X million US homes and X number global users. These users are trying to convert their users to Broadband and ramping up hardware and lines to handle.

Graph projected growth

Streaming Media Industry

A quickening pace of development in both broadband technology and content parallels the increase in Internet access speed. Multimedia streaming technology is bringing new levels of versatility, quality and simplicity to the creation and distribution of multimedia content over the Web. One measure of the growth in use of streaming media is the number of registered users posted by RealNetworks, a company that develops software

used by broadcasters to stream multi-media content over the Internet. The first RealPlayer was released in 1995, and to date over 80 million unique users have been registered. The RealPlayer download rate now exceeds 175,000 per day, an increase of more than 270% since the beginning of 1997.

The emergence of rich multimedia capabilities, such as streaming audio and video, will continue to enhance the effectiveness of the Web as a mass communications medium and Intranets as a means to improve corporate communications. Content delivered through traditional media, such as television and radio, will be increasingly delivered over the Internet.

Competitor Analysis

Due to the increase in opportunity with streaming media over broadband, there are many companies competing to offer high quality streaming over the Internet. Iviewit.com has reviewed and evaluated its technology to comparable products of major competitors. The following are the major characteristics that are important in providing consumers an uninterrupted, high quality video streaming experience:

- *Full Screen vs. Reduced Screen* – Due to the large amount of bandwidth required for streaming video, many companies can only offer the video stream on a reduced screen in order to enhance the quality of the video.
- *TV Quality vs. Grainy Picture* – Due to the constraints of the pipeline, the picture is often interrupted with hiccups, which break up the picture or cause the picture to be grainy.
- *Streaming vs. Downloading* – Due to the large amount of time and hard drive space required for downloading, most consumers prefer to have their video streamed in real time. In addition, there are many piracy issues associated with downloading, thus many content owners do not allow downloading of its audio or video content. The benefit of downloading is that it provides a higher quality picture for the end user.
- *Standard Player Software vs. Proprietary Downloaded Players* – The standard player software included on Microsoft’s Operating System is Windows Media Player and RealPlayer. Some companies require the end user to download their own proprietary players, which is sometimes time consuming and burdensome for consumers.
- *Standard Plug-ins vs. Proprietary Downloaded Plug-ins* – Once again, many companies require the end user to download their own proprietary plug-ins in order to stream media.

The following is a table that compares Iviewit.com’s technology with its major competitors, as well as brief descriptions on each of the competitors.

Company	Full Screen	TV Quality	Streaming	Non-Proprietary Video Player	No Plug-in Download
TheDen.com	√	√	√		
MS Media Player	√			√	√
On2.com	√	√	√		
Pixelon	√	√			

RealNetworks	√		√	√	√
Ivicit.com	√	√	√	√	√

Table 1.0 – Features of Streaming Video Competitors

Sonic Foundry
Encoding.com
Videodome.com

Need to restructure to call these guys potential license plays

~~**Digital Entertainment Network (DEN)** – DEN produces and delivers Internet-based digital entertainment and information services. The company has created a digital media network to provide an online destination for youth to access original, youth-oriented, interactive entertainment and music, participate in building online communities and purchase consumer goods and services.~~

- **Microsoft's Media Player** – Microsoft's Windows Media Technologies provide the ability to create, deliver and play streaming media files over the Internet. Windows Media Technologies components include the Windows Media Tools, Windows Media Services streaming server, and Windows Media Player.
- **On2.com** – On2.com is developing a network of Web channels for broadband-enabled consumers that combines television-quality video with the interactive capabilities of the Internet. The On2.com broadband network will be powered by the Company's proprietary video compression and streaming software, TrueMotion VP3. This service will be available to broadband users. On2.com's overall strategy is to position itself as the early leader in broadband Internet content and technology.
- **Pixelon** – Pixelon is positioning itself as "the future of broadcasting" over the Internet. The company uses a proprietary player and is an advertiser supported network. The broadcasting provides full screen, full motion, CD Audio and TV Quality Video. Pixelon held a highly publicized launch event on Halloween weekend 1999; featuring a concert in Las Vegas starring The Who, KISS, The Dixie Chicks, Brian Setzer and several other artists.
 - **RealNetworks** – RealNetworks provides media delivery and distribution solutions designed for the Internet. RealNetworks' solutions enable consumers to experience and content providers to deliver a broad range of multimedia content, including audio, video, text and animation.

Separate section for Image

INDUSTRY BACKGROUND

Growth of the Internet and e-commerce

The Internet has emerged as a global interactive medium enabling millions of people worldwide to share information, communicate and conduct business electronically. The Internet differs from traditional media by its lack of geographic limitations and its ability to provide instantaneous data communication. International Data Corporation, or IDC, estimates that the number of Web users will grow from approximately 69 million worldwide in 1997 to approximately 320 million worldwide by the end of 2002. Growing usage of the Internet has been driven primarily by the rapid

proliferation of personal computers, easier, faster and affordable access to the Internet, increasingly robust network architectures and the emergence of compelling content and applications.

The emergence of the Internet and secure transaction networks has generated significant opportunities for businesses to conduct electronic commerce. IDC estimates e-commerce revenues will grow from approximately \$12.4 billion worldwide in 1997 to \$237 billion worldwide by 2001. According to Forrester Research, on-line leisure travel reservations will grow from 1.3 million trips in 1997 to 65.5 million trips by 2003. With respect to real estate, Yankee Group reports that the percentage of homebuyers using the Internet to shop for a home will increase from 4% in 1997, to over 30% in the year 2000. Additionally, Forrester Research estimates that on-line classified advertising will grow from \$185 million in 1998 to \$2.9 billion in 2003. This widespread deployment and acceptance of the Internet has introduced rapid changes in the way information is produced, distributed and consumed.

Demand for effective on-line content

The popularity of the Internet has resulted in substantial growth in the number and types of Web sites. According to IDC, the number of Web sites is estimated to grow from 829.4 million in 1998 to 2.7 billion in 2000. New technologies are allowing Web site operators and advertisers to measure a site's traffic, average time spent on a site and visit-to-purchase ratios. Advertisers are utilizing this data to measure the effectiveness of Internet advertisements and to set advertising rates. This data is causing businesses to demand content and features that will allow them to attract visitors, increase the amount of time spent on their Web sites and promote e-commerce. According to a Forrester Research survey of online consumers, 75% of those surveyed stated that content was the most important factor in attracting and retaining visitors to Web sites.

Emergence of broadband capability

The transmission of data intensive content over the Internet has been limited due to historical bandwidth constraints. Increasing availability of improved delivery systems, such as digital cable modems, satellite delivery systems and DSL networks are enabling the use of more feature-rich multimedia content. Forrester Research predicts that approximately 16 million U.S. households will have broadband connection by the end of 2002, representing approximately 25% of the homes connected to the Internet.

Growth in the use of digital imaging

Fundamental changes are occurring in the photography industry with the introduction of the digital camera. The digital camera allows the user to take pictures and display them digitally, either on a personal computer or over the Internet, without the need for traditional film development. Because digital cameras were initially expensive, early adopters of this technology were Professionals and hobbyists. Recently, sales of digital cameras have grown substantially due to improved performance and lower unit prices. IDC forecasts that worldwide digital camera shipments will grow from 2.7 million units in 1997 to 29.5 million units in 2002.

Lack of interactivity and realism with existing digital imaging technology

Companies are increasingly using digital imaging to promote their products and present information on their Web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their Web sites. However, most of the images remain flat two-dimensional images offering a limited field of view. Technological innovations that enhance realism and interactivity and contribute to a viewer's retention to that Web site will facilitate the success of e-commerce by potentially leading to increased sales and advertising rates. Webcams and streaming video are some of the technological innovations businesses are using to attract

and retain visitors to their Web sites. Specifically, immersive imaging, or the ability to create the viewing perspective of being inside the image, is becoming increasingly popular with many Web sites. However, image creation with many of the existing immersive technologies is labor intensive and requires proprietary hardware. Conditions such as inadequate lighting, subject motion or lack of portability reduce the effectiveness of the image. As a result, market acceptance of these technologies has been limited.

In order for widespread adoption of immersive imaging by businesses and consumers to occur, new immersive technologies must offer the following benefits:

- ease of creating and viewing an image;
- ease of distributing and sharing the image;
- portability of the capture device;
- cost effectiveness;
- use of standardized technology; and
- platform independence.

Competitive overview

Interactive Pictures Corporation(IPIX)

Interactive Pictures puts you in the picture. The company's IPIX technology is used by travel and hospitality (Marriott), publishing (New York Times), real estate (ERA), education (National Geographic), and entertainment (Disney) companies to enhance multimedia content, interactivity, and e-commerce on Web sites. Its Wizard software (sold on a per-use basis) converts two photos taken with a digital camera into one IPIX image. The company also sells IPIX-ready digital cameras and accessories and offers multimedia services. Interactive Pictures, whose shareholders include investor Lee Martin, Motorola, MediaOne, and GE Capital, is merging with bamboo.com, a provider of virtual home tours on the Internet.

Bamboo.com

Interested in touring that new home across town (or even across the country)? bamboo.com (formerly Jutvision) can take you there without wearing out your tires. The company provides virtual tours of real estate properties for sale or rent in more than 100 metropolitan areas across the US and Canada. The tours allow users to view the inside and outside of properties, panning right and left or zooming in for a better look. bamboo.com charges real estate agents a one-time fee to videotape a property, convert the videotape into a virtual tour, and distribute the tour through Internet sites or e-mail. The company markets its tours through agreements with Web sites such as REALTOR.com and HomeBuilder.com.

MGI Software (Live Picture)

Live Picture, Inc.

Live Picture, Inc. (LPI) is the leader in Internet imaging and the inventor of zoomable images for the Internet. Live Picture develops and sells a complete suite of image servers and Internet and consumer applications based on its Zoom image technology. Live Picture products are used for creating, managing, and distributing highly detailed images for network and print applications. Leaders in the retail, entertainment, travel, real estate and publishing industries are among Live Picture's enterprise customers. Live Picture's LivePix brand of consumer software provides high-performance PC photography solutions for families and small office/home office (SOHO) customers.

Live Picture makes images on the Internet fast, interactive, and informative. Our award-winning software make it easy to create images that help sell products, by allowing you to zoom in and examine details of photographs, illustrations, 3D objects, and panoramic vistas. Our software also makes it easy to integrate these elements to create an environment that delivers the sense of being immersed within the scene. With Live Picture servers, images download quickly, even over typical modem connections, because they're based on Flashpix and the Internet Imaging Protocol (IIP)—open standards invented by Live Picture—to rapidly stream images, regardless of size, over networks. Flashpix and IIP are endorsed by the Digital Imaging Group (DIG), whose founding members include Adobe, Canon, Fuji, Hewlett Packard, IBM, Intel, Kodak, Microsoft, and Live Picture.

Live Picture offers several viewing options, including its patent-pending Universal Viewing technology, which requires no special client software, as well as Java applets and plug-ins for advanced viewing and high-resolution printing.

Ulead Systems, Inc.

Ulead Systems, Inc. was founded in 1989 to develop and market Windows-based imaging and video production tools that empower people to share their ideas and memories more easily and creatively. Our mission is to provide easier, faster, and superior imaging, video, 3D and Internet software for business and personal communications.

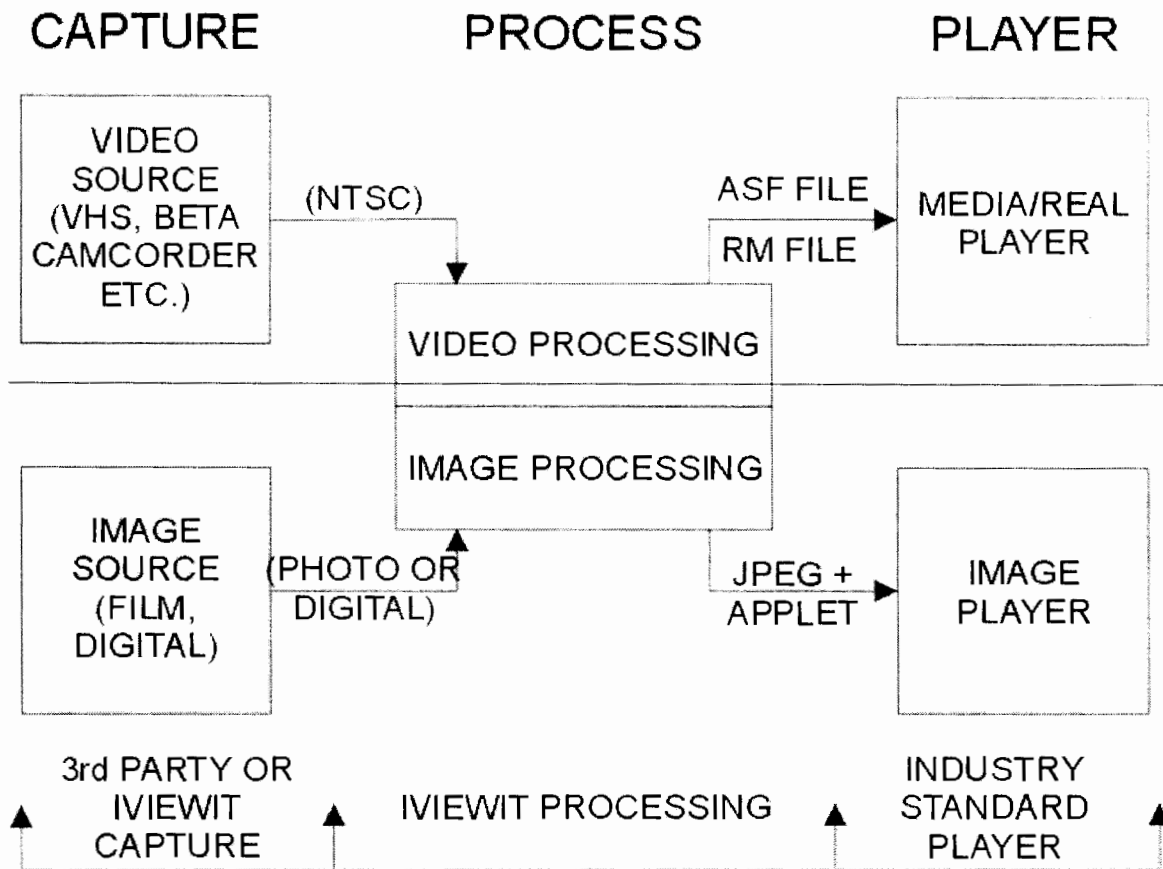
At Ulead, we strive for excellence. Our products are recognized as leading solutions for image editing & management, video editing, 3D and Web graphics. Ulead products serve millions of users worldwide and have won extensive industry recognition, including four 1998 Windows Magazine Win100 awards.

Comparison Table

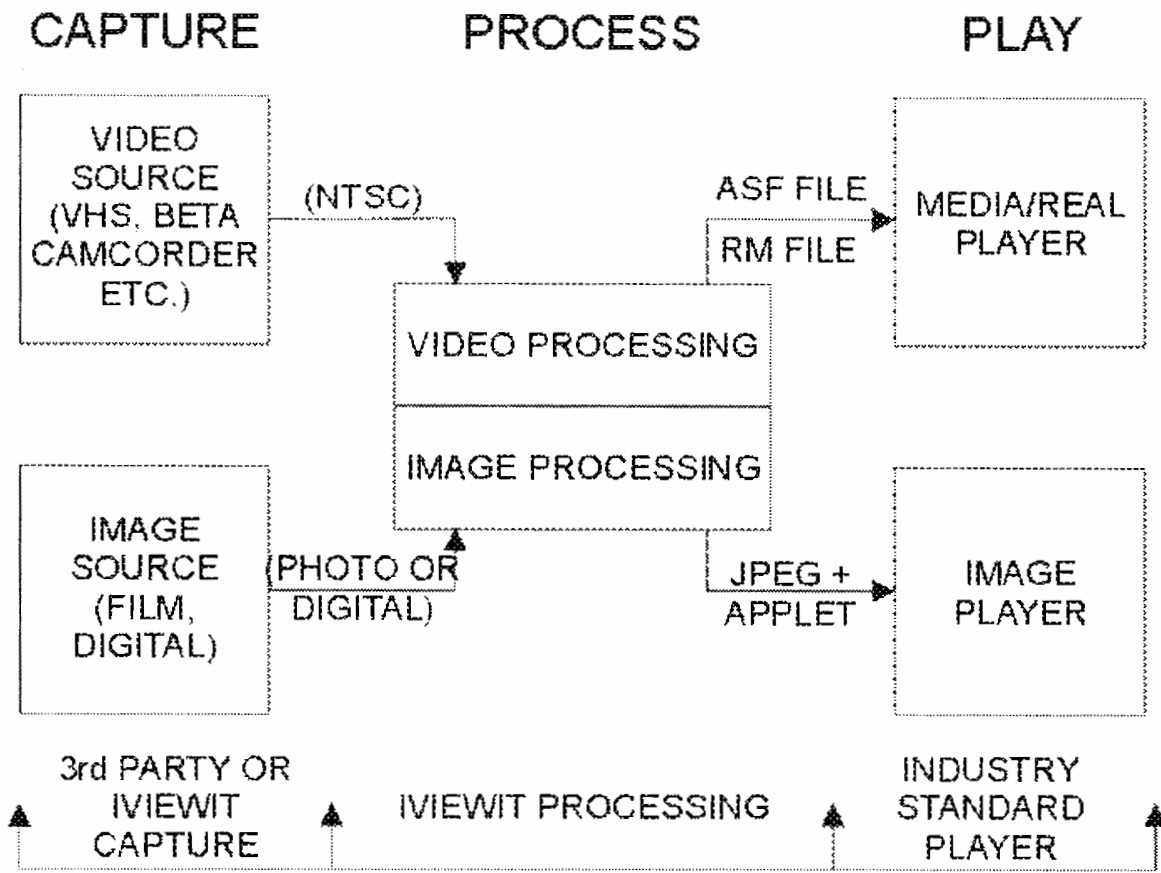
	<u>Full Screen</u>	<u>Single Image Zoom</u>	<u>Image Distortion (Wavy, Warped, or Grainy)</u>	<u>Pixelation Upon Zoom</u>	<u>Panning Ability (up,down,left,right)</u>
<u>IPIX</u>	<u>NO</u>	<u>YES</u>	<u>YES</u>	<u>YES</u>	<u>up,down,left,right</u>
<u>BAMBOO</u>	<u>NO</u>	<u>YES</u>	<u>YES</u>	<u>YES</u>	<u>Left and right</u>
<u>ULEAD</u>	<u>NO</u>	<u>YES</u>	<u>YES</u>	<u>YES</u>	<u>up,down,left,right</u>
<u>MGI SOFTWARE</u>	<u>NO</u>	<u>NO</u>	<u>YES</u>	<u>YES</u>	<u>up,down,left,right</u>
<u>VIEWIT</u>	<u>YES</u>	<u>YES</u>	<u>NO</u>	<u>NO</u>	<u>up,down,left,right</u>

Product Description

IVIEWIT PROCESS TECHNOLOGY



IVIEWIT VISUAL MEDIA PROCESSING



PROCESS

iviewit's impressive image and video visual media products are the result of several years of development focused on the entire process of image/video acquisition through delivery over the web. Care has been taken to maintain industry interface standards such as NTSC, Media player and Real Player in order to preserve the broadest possible range of application. The result is industry leadership products without requiring special downloads or equipment. iviewit processes are proprietary and protected as trade secrets and patents filed with the U.S. patent office. While video and imaging are treated separately, it should be noted that they are complementary both from a process point of view and from a customer perspective. Many potential customers have both requirements such as the resort and hotel industry and the health care industry. iviewit views these products as an integral part of a sales portfolio.

VIDEO

Streaming video is the most challenging form of content distribution over the internet and has challenged the industry since the inception of the concept several years ago. Current processing techniques yield pictures which are small, jerky and fuzzy. Motion is a particular problem because the image refresh process tends to produce highly distorted pictures. Iviewit has succeeded in producing VHS like quality over broadband networks and significantly improved modem speed results. These results are obtained while minimizing the bandwidth required for the streaming video event. The payoff flows both to the viewer and the provider. The viewer sees a much more acceptable picture and the provider is able to optimize the total amount of communications bandwidth that must be provided. Internet ready streaming digital files are produced from virtually any source producing NTSC (US) compatible or IEEE 1394 firewire interfaces. Other interfaces such as PAL or SECAM can be accommodated. The output digital files are MS Media Player or RealNetworks Real-Player compatible. Individual files are produced for either modem or broadband use and designed to minimize the amount of bandwidth required to produce the highest possible quality image. – Processing times range from 3X to 6X the play time of the video depending upon the length of the video and the output file. The proprietary process is extendable to include video acquisition. Even though this phase is not a pre-requisite, improvements in final video quality are attainable by using iviewit's total video process. A TV interface adapter is planned which allows a PC monitor output to be connected to a TV set. Using a TV in this way further enhances the quality of the video due to the fact that because a TV set is optimized for displaying video type images.

IMAGING

iviewit offers a wide range of “over the web” high quality, full screen imaging. Images range from stills to zoomable images and panoramic images of up to 360 degrees with very high levels of zoomability. Images produced by iviewit's image process are identical in quality regardless of speed on the end-user's internet connection speed. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. minimize download times. Output file sizes typically range from 30KB to 2-400KB for a full 360 degree panorama. Source material may be conventional emulsion type film or digital. Special photographic techniques are employed to ensure the final quality of the process (“garbage in, garbage out”). Unlike conventional web-ready images which become severely distorted after magnification attempts of just 1-2 times, iviewit processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1. The imaging process and results have been reviewed by Real 3D. Their comment as a result of the review was “superb”, “elegant”.

FUTURE DEVELOPMENT

Extensions of the current technology are planned to provide similar improvements in videoconferencing. Early testing has validated the feasibility of these extensions and funding will provide the resource necessary to complete the development work. It is estimated that a product could be ready to market within 6 – 9 months from funding.

OFFERING

iviewit's offerings include the following:

- Photographic or Video recording services. iviewit retains the services of a large number of professional videographers in order to handle customer requirements.
- Image and Video processing. Priority and standard processing is provided. Priority processing guarantees a next day delivery by ftp to the customer or iviewit site. Standard delivery is within 5 working days. Processing is semi automated and requires little hands-on effort. Capacity is readily scalable to several hundred videos per day with moderate capital investment.
- Web hosting of image and video content, linked to a clients site. This is an extension of the current website. Seamless linking is a well established www technique and has been validated by iviewit testing with prospective customers.
- Web site creation and hosting. Professional designer support is available through iviewit's subcontract with Real 3D and other web site specialists. This service is not expected to major part of iviewit's business.
- Site licensing for the distribution of iviewit product. Each site distributing iviewit visual media product must be licensed by iviewit.com, Inc. The license may be either a paid up annual license or the first year license charge may be included in the price of the each product.

Video Streaming Technology

- Explain the process of converting the video (Insert graphic on the process of converting video source to a streaming video) and its application
- Describe iviewit.com's technology as it relates to the above process
 - Runs 50% - 80% more efficient, therefore more cost efficient
 - VHS quality streaming
 - Explain the current production process (6 buttons to push).
 - Explain the cost and time of the production process; (takes 3 hours to process 1 hour of content; 1 full time operator can process 24 hours of content in one day).
 - Explain the reliability, maintenance and/or updating factors
 - Requires streaming capability of approximately 100Kb to produce high quality streaming
 - Turn around time of 1 day for the product
 - Retain the control of the black box and quality of process by doing it at iviewit.com
- Describe the Facility required to process the video content
- Discuss the evaluation made by REAL 3D

- Discuss future development plans for the product and timing of developments
 - Explain the expected future production process (1 button to push)

Digital Imaging Visual Media Technology Applications

(This section should be much shorter than the above)

• Markets	Video	Image
• Entertainment *	X	
• Advertising	X	X
• Hotels & Resorts *	X	X
• Medical Imaging *	X	X
• Health Care *	X	X
• Military & Government	X	X
• Software applications	X	
• Executive Search, Modeling, Casting & Dating Services *	X	
• High-end value Auctions	X	X
• Sports *	X	X
• Residential Properties	X	X
• Commercial Properties	X	X
• Automotive *	X	X
• Art		X
• High-end Luxury (e.g. Boats & Airplanes)	X	X
• Image Libraries *		X
• Computer Games	X	X
• 3D Graphics		X

*Active marketing under way.

- Currently working on a Hyatt Hotel. (Any others?)
- Revenue model: (brian to complete)
 - Photoshoot: 15% of \$6,000
 - Annual licensing fee: \$1,800
 - Per click fee: \$.03 - \$.10 a click, with a minimum of \$140 per month

Explain that it is a very valuable technology with great potential, but not as large as the video. Thus the company is exploring possibilities of a master licensing partnership in order to focus its efforts on the video streaming technology.

Proprietary Features

(Alan: Could you possibly help with this information? Just need a couple paragraphs.) Ray Joao to fill in with Ken Rubenstein

- Discuss Patents and Status of Patents
- Copyrights, trademarks or servicemarks, if applicable

Additional applications from the technology

- Ability to split the information to the television for better quality picture
- Video-conferencing

- 3D Graphics
- Computer Aided Design (CAD)
- (Others?)

Market Opportunity & Penetration Strategy

Market Opportunity for Video Streaming

Streaming media is now the most widely used application after browsers and online programs like AOL on the Internet... and it is growing exponentially. Microsoft's Media Player, RealNetworks suite of players and Apple's Quick-Time Player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, *on demand*.

The pipe to deliver "fat" content to Internet users worldwide is being laid by cable operators, phone companies, satellite operators and fiber optic network companies. US cable modem subscribers are expected to increase to 3.3 M in 2000 (up from 1.6M in 1999). DSL customers (serviced by phone companies) will nearly triple to 1.4M in 2000 from 500,000 in 1999.¹ The advent of broadband network connectivity in the mass market is at hand; serving notice to anyone with content to sell or promote that it's time to get serious about developing broadband enhanced content distribution strategies.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies mentioned above. Iviewit.com's suite of technologies will positively affect and benefit all of these parties.

For consumers who have a broadband pipe in their homes, streaming video is the "killer app." ~~The promise of rich visual content defines the reason for paying between USD \$40-50 per month for the increased bandwidth. It means that consumers can see the entertainment, news, product commercials, infomercials and education videos they want at near TV quality. That promise will be fulfilled, at last, by the proliferation of content delivered through and with iviewit.com. RealNetworks G2 Player download rate options, at the high end, still only support a CD-ROM display at approximately half the computer screen space. The companies responsible for providing the infrastructure for broadband recognize the importance of promoting enabling technologies and driving media rich content to the web. Their paradigm has shifted to include content creation as a significant element of their overall strategy. Greater availability of quality content on the web will increase demand for the pipes necessary to view it. Similarly, the popularity of software applications that "play" the content files will increase dramatically as Iviewit.com's technology will enhance any media player operating on a broadband network and provide video quality full screen streaming media.~~

For Business to Business (b2b) e-commerce sites, Iviewit.com's technology will provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product manuals through Iviewit.com's proprietary system, business e-commerce sites can leverage their ~~video~~ video and image investments into an on-

¹ Broadband Intelligence July 1999

demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality ~~full screen video visual experiences~~. Licensing these b2b sites will be a primary market focus for Iviewit.com's technology.

For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues etc., Iviewit.com's technology means that video streaming can finally become a revenue source. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for the small screen, grainy content prevalent on the web today and the pipeline required for serving these files is expensive. ~~Less than full screen video streams and the pipeline required for serving these files is expensive.~~ Iviewit.com's technology provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and reducing the ~~file~~ digital stream size required to serve them. These solutions are at the core of Iviewit.com's competitive market advantage.

For digital video distribution companies, Iviewit.com's technology is extremely attractive because it reduces the required file size to be streamed. (Brian: we need to insert the quantitative metrics that speaks to what the reduction in file size is after video goes through Iviewit.com's process.)

In summary, the marketing potential for Iviewit.com's technology is substantial. The Company will engage in a high profile launch campaign designed to build awareness for its technology with all the key market influencers and then concentrate on a licensing program to populate its technology among b2b and b2c internet sites.

Market Penetration Strategy – need to add imaging business

Given the market opportunity, Iviewit.com will penetrate two major markets in two separate phases. Iviewit.com's goal is to initially sell through short video segments to major corporations who have already invested capital in television marketing. The following describes the two phases and the projected penetration into each market.

Shouldn't we include the Nomad project. Can't we project advertising revenues for this project in March/April timeframe?

Phase One – Iviewit.com will initially target major corporations who have significant budgets to produce and broadcast television commercials. Iviewit.com will license its technology to process 30-second videos at a price of \$1,000 per second (\$30,000 per 30-second commercial). Iviewit.com expects to generate revenue for these 30-second commercials by July 2000.

Phase Two – The next target market will be business e-commerce sites that have a need to offer web site infomercials, product manuals, product announcements and other 3 minute video segments on demand over the Internet. Iviewit.com will license its technology to process the 3-minute videos at a price of \$180,000. Iviewit.com expects to enter this market by October 2000.

Penetration Rate – Iviewit.com expects to initially sell twelve 30-seconds licenses and two 3-minute video licenses. The plan is to grow the number of licenses sold every quarter by 50%. The following table outlines the expected number of licenses to be sold:

Video Product	July – Sept 2000	Oct – Dec 2000	Jan – Mar 2001	Apr – June 2001	July – Sept 2001	Oct – Dec 2001
30-Second	36	54	81	122	182	273
3-Minute	0	6	9	14	20	30

Table 2.0 – Projected Number of Licenses To Be Sold

(We need to insert the number of 30-second commercials produced each year, to show that our penetration rate is a small percentage of the total market.)

Distribution – One of the largest challenges in selling Iviewit.com’s technology is to educate the customer of the benefits to streaming video, and to prove that Iviewit.com’s technology provides the highest quality experience. As a result, Iviewit.com plans to hire top-notch sales people with strong relationships in the Fortune 1000 advertising business to make direct sales. In addition, Iviewit.com is considering creating a partnership with a digital distribution company (i.e. InterVU, iBeam, Vstream, etc.), in order to provide customers with a total streaming solution, as well as to leverage relationships between both companies.

Benefits to Customers – In marketing this technology to business e-commerce sites, there are various benefits to the company. Not only will companies be able to leverage their existing commercial assets, but they will also be able to better target potential customers over the Internet. Being able to provide a commercial on demand for someone interested in purchasing a Nissan Pathfinder can be much more powerful and cost effective than running television commercials. Plus, with Iviewit.com’s high-quality streaming, the customer receives an overall better experience.

With the longer video segments, this is an opportunity for companies with complex products to better educate their consumers. Companies who spend large amounts of money on infomercials can also provide the video information on demand at their web site. Plus, companies with products that require directions to assemble can provide video instructions over the Internet.

Branding – The strongest attribute of Iviewit.com’s technology is its superior streaming quality over competitors. End consumers will be able to witness this when viewing videos over the Internet. However, Iviewit.com wants to also insure the quality of the process of transferring the Beta SP video to an Iviewit.com streaming media file. Thus, Iviewit.com has decided to maintain control of this process by transferring the video in-house. This paragraph needs a rewrite

In addition to branding Iviewit.com as a high quality technology, Iviewit.com plans to also brand its name to end users. Similar to “Intel Inside”, Iviewit.com will watermark its streaming video with the company name.

Launch Strategy

In order to receive the required visibility from consumers, business e-commerce sites, intellectual property owners, digital distributors and Wall Street, Iviewit.com plans to launch its technology with a high profile entertainment event. Iviewit.com is currently in discussions with the producers of i.m.Nomad to use Iviewit.com's technology to stream the mini-series. Plus, Iviewit.com will receive significant recognition as the technology driving the high quality video streaming. The following is a description of the event:

i.m.Nomad is a breakthrough short-form, entertainment mini-series consisting of 15 four-minute episodes and crafted for the Internet. These erotic, episodic and wholly interactive stories, combined with behind-the-scenes footage, will form the basis for a one-hour pay TV special.

i.m.Nomad stars three of the world's most high profile and successful supermodels: *Sports Illustrated* cover girl Heidi Klum, Chanel spokesperson Estella Warren and *Victoria's Secret* model Rachel Roberts. These internationally recognized beauty stars will perform for the first time ever in the nude. Each will assume a different identity, which will be characterized with stylized, signature body art. Heidi Klum, Estella Warren and Rachel Roberts will actively promote the venture in all forms of media as part of an orchestrated worldwide campaign, which includes: Internet viral marketing and magazine, television and radio interviews.

Iviewit.com feels the concept and demographic of this mini-series best targets its consumers. This mini-series will attract mainly a male audience, which is the majority of broadband users. Also, the extension of the mini-series over 15 weeks allows more time for PR and major promotions.

Further launch initiatives: Forge strategic alliance w/pey-per-view company to produce events such as Billy Joel, CSNY, Dixie Chicks, etc.

Timeline

Date	Milestone
January 31, 2000	Close First Round of Financing - \$10 - \$25 Million
	Secure Content for Launch of Iviewit.com
	Begin Viral Marketing Campaign of Iviewit.com
February -- April, 2000	Hire Key Executives and Staff
April 15, 2000	Official Marketing Campaign Begins
	Sales & Marketing Team Approaching Potential Clients
May 15, 2000	Official Launch of Iviewit.com
July 2000	Begin to Generate Revenue for 30 Second Video Segments
October 2000	Begin to Generate Revenue for 3 Minute Video Segments
	Breakeven for Iviewit.com
?	Close Second Round of Financing
December 2001	Initial Public Offering

Financial Analysis

Financial Highlights

Based on the revenue and expense assumptions described in the following two sections, the net margin for Year Two is approximately 40% and break-even occurs by the 10th month of Year One.

Iviewit.com plans to make an Initial Public Offering by the end of Year 2001. The monthly projected net income by the time of the Offering will be approximately \$2 million. Iviewit.com will require financing of approximately \$20 million to carry it to IPO. The primary use of funds will be to secure a first-class management team to quickly grow the company.

Revenue Assumptions

The revenues are based on the Two Phase Plan described in the section titled "Market Penetration Strategy". Phase One assumes that Iviewit.com will begin to license its technology by July 2000 for twelve 30-second video segments at a price of \$1,000 a second (\$30,000 for a 30-second video segment). Every quarter the number of segments sold will increase by 50%.

Phase Two assumes that Iviewit.com will begin to license its technology by October 2000 for two 3-minute video segments at a price of \$180,000 per 3-minute video. Every quarter the number of segments sold will increase by 50%.

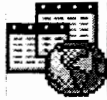
Iviewit.com believes the revenue model to be conservative since it does not include Digital Imaging revenues.

Expenses Assumptions

(Brian: I need to better understand the direct costs for the process of transforming Beta-SP to Iviewit.com's streaming media, not including labor)

The majority of SG&A expenses are for salaries and marketing. The monthly salary expense in Year One is approximately \$360,000 and the monthly marketing expense is \$250,000. Iviewit.com has assumed that these amounts will increase by 10% in Year Two. The other major expenditure is in the amount of \$3 million for the i.m.Nomad mini-series to launch Iviewit.com's technology.

Attachment A – Financial Statements



"Iviewit Financial
Projections 1.1.xls"

Notes

1. Kathy do we have those charts brian did at our meeting, explaining bandwidth etc.?
2. Multiple pricing levels for different market segments – what the traffic will bear and not bear.

Epstein, Alan

From: Eliot I. Bernstein [viewmaster@iviewit.com]
Sent: Thursday, January 06, 2000 10:28 PM
To: Daniel Socolof (E-mail); Kathy Yeung (E-mail); Mike McGinley (E-mail); Alan J. Epstein (E-mail); Jeffrey Friedstein (E-mail 2); James F Armstrong (E-mail); Simon L. Bernstein (E-mail); Heather Sullivan (E-mail); Brian G. Utley
Subject: Eliot Business Plan Changes

Untitled Attachment

iviewit Business Plan
Version ...

IZ; iviewit /
business plan

Epstein, Alan



Kathy - the changes in red you can accept or decline to add to the document. If you are unfamiliar with tracking changes, give me a call. We should get the doc organized so that changes from all sources can easily be integrated and checked against prior version from different people. I have organized the document through the table of contents to be interactive, click on any section in the table and it will transport you there. Once there you can go back or forward using the word web arrows. The financials (excel sheets) are enclosed in the word doc at the bottom, just click on the icon to launch.

Best regards,



Eliot



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Iviewit.com, LLC Business Plan

Contact Information:

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brian@iviewit.com

Confidentiality Statement

This business plan and the exhibits hereto (collectively, the "Plan") have been submitted on a confidential basis for use by a limited number of sophisticated investors or acquirers (the "Investor(s)") solely for, and should be used only in connection with, an Investor's consideration of an investment in Iviewit.com LLC, (the "Company"). Its use for any other purpose is not authorized. Any reproduction or distribution of the Plan, or retransmittal of its contents, in whole or in part, without the prior written consent of the Company is prohibited.

This Plan contains certain information of a highly confidential nature, including projections by the Company's management of the Company's performance and other material of a forward-looking nature. The receipt of this Plan constitutes an agreement on the part of the recipient hereof to maintain the confidentiality of the information contained herein or any additional information subsequently delivered in connection herewith. Investors who accept this Plan or become aware of the information contained herein must understand and comply with the extensive restrictions imposed by Federal and State securities laws upon their ability to disclose information contained herein to others or to participate in or otherwise effect or facilitate any transaction relating to any securities of the Company. Investors who cannot comply fully with such restrictions should not review the information contained herein and should immediately return this Plan to the Company.

Name

Company

Date

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Executive Summary

(The Executive Summary will be a 1 – 1 ½ page quick and powerful overview. This is necessary since most investors have just enough attention for one page of reading. Once the rest of the business plan is finished, this part will fall out of it.)

The major issues I anticipate to be discussed will be as follows:

- Briefly explain the current challenge over the Internet for high quality streaming video, and that no one has come close to creating an acceptable quality, until now.
- Describe iviewit.com's video streaming product, its patents, and its ability to provide VHS quality over broadband to the computer. Explain that it runs 50% - 80% more efficient, therefore more cost efficient. Discuss the economic implications of this efficiency.
- Explain how iviewit.com will distribute the product: licensing the process, and that the conversion will be done at iviewit.com.
- Explain the vast number of opportunities that can be had with video steaming.
- Explain how iviewit.com plans to initially penetrate the market and what a small percentage of the whole market this is:
 1. 30 second commercials; at \$1,000 a second.
 2. 3 minute infomercials, product manuals, etc.; at \$180,000 each.
- Explain how this is just video streaming over the Internet, however there are many more applications that can be used with this technology, thus iviewit.com is not just a one product company.
- Brief description of vast experience of the management team
- Key financial analysis:
 - 50% growth in revenues each quarter
 - Approximate overhead expenses
 - Profit, return rates
 - When iviewit.com expects to break-even
 - How much money iviewit.com is looking for in this round of financing
 - Iviewit.com's plans to do an IPO

Company

Company Background

Iviewit.com LLC, located in Boca Raton, Florida, was formed in 1999 under the laws of the state of Delaware. Iviewit.com was formed to research, develop, license and sell various Internet based products and services to the vast growing e-commerce market. Iviewit.com has developed a state-of-the-art proprietary technology enabling full screen, TV quality streaming video and digital imaging for the Internet. The streaming video can be seen by both broadband and modem users with no download time required. The digital imaging allows for full screen still images or panoramas that can be magnified with minimal image distortion.

Refining technology

Securing & filing 8 patents

Opened offices, hired employees, installed systems, developed strategic partners and relationships.

Secured Angel financing

Formed National Sales Group

Current client negotiations

- Hyatt
- Webcasts.com
- Centrack
- Thehealthnetwork.com
- Americanenterprises.com
- KidsCamp.com
- Ezlinksgolf.com
- Boca Resorts & Hotel
- Armstrong Blum Manufacturing
- Divine Interventions
- Lovemate.com
- University of Florida
- Big Entertainment, Inc.
- 3Com
- Versifi
- Playboy
- Internet Entertainment Group, Inc.
- Atlas Entertainment
- Machineweb.com
- Sportsline.com
- West Palm Beach Lexus
- 2500 Partners
-
- Brian: I need some feedback on the following: What the company has been doing since inception (i.e. primarily Imaging and working on patents for the video

streaming). Describe at what stage the Imaging business is at (i.e. key clients like Hyatt, amount of revenues, expected revenues, etc.)

Future Plans for Iviewit.com

(I need to talk to Brian and work on this section more.) (Brian to fill in by 1/6/2000 late pm)

Iviewit.com has found the growth opportunity for its proprietary visual Internet medias, video streaming technology to be greater than its digital imaging. Thus, once it has secured funding, Iviewit.com will focus initially on developing its video streaming business as the primary focus, building the imaging business as client needs arise.

Iviewit.com plans to increase its current number of employees of 40-10 to 53 employees over the next year. The new business focus will allow for revenues of \$XX and \$XX. Iviewit.com plans to take the company for an Initial Public Offering by the end of Year 2001.

Key Management

Brian Utley, President and Chief Operating Officer - Mr. Utley has been involved in the computer industry since 1955, 37 years of which were with IBM. He has been in senior management and executive positions since 1965 culminating in his responsibility as Vice President and General Manager of IBM Boca Raton with a population of over 6,000 professionals. During his career he has been responsible for advanced technology product development on many fronts. In addition he was responsible for a number of IBM's overseas activities including product development, product management and market development. The most notable of which was the introduction of the IBM PC to Europe. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results.

• Eliot I. Bernstein

Mr. Bernstein, a graduate of University of Wisconsin, spent 15 years in a highly successful insurance career while constantly creating innovative computer based, multimedia marketing tools. During this time, Eliot created powerful and unique database and interactive multimedia marketing products. These products remain in use today to service over \$1 billion of insurance business. Eliot is accustomed to servicing only the best clients including Marvin Davis Companies and The Irvine Company. In 1998, like many entrepreneurs, Eliot chose to risk everything to pursue his dream of creating visual applications for the internet and iviewit.com was born. He has combined his passion for photography with a burning desire to see the internet evolve from a text-based medium to a visual tool.

Anybody else?

Although Mr. Utley's vast experience is a tremendous asset to the company, Iviewit.com understands that it needs to assemble a highly qualified and diverse management team.

Once funding is secure, lviewit.com will place the following key positions within 60 days:

Chief Executive Officer

- Chief Financial Officer
- Chief Technology Officer
- EVP of Sales & Marketing
-

Board of Directors

- Eliot I. Bernstein, Founder
- Brian G. Utley, President & COO
- **Simon L. Bernstein, Chairman of the Board** - Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over \$800 million in life premium sales. Mr. Bernstein's career in the life insurance industry began in 1965 when he became the top producer for Aetna Life and Casualty Company. He has remained in the top 5% of life insurance sales agencies since that time. Mr. Bernstein is currently a qualifying and life member of the Million Dollar Round Table.
- **Gerald R. Lewin** - Gerald Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. In 1981, Mr. Lewin joined Donald Goldstein to form Goldstein Lewin & Co., which currently has approximately 30 accountants. Mr. Lewin specializes in business consulting and is highly knowledgeable in many aspects of accounting, tax and financial planning. Mr. Lewin is a member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

Consultants

- Danny Socolof
- Mike McGinely

Advisory Board

- Donald G. Kane
- Alan Epstein
- Christopher C. Wheeler???

Think of anyone else????

Strategic Partners & Investors

- ***Real 3D®, Inc.*** – Iviewit.com is currently in a strategic partnership with Real 3D who is providing hosting, serving and technology enhancement services. Real 3D has participated in the technology evaluation phase of Iviewit.com's proprietary Imaging and Video Streaming products. Real 3D has found Iviewit.com's web-based products to offer an extraordinary high-resolution panoramic view capability that can have many uses in the e-commerce arena.
- ***Huizenga Holdings, Inc.*** - Huizenga Holdings Inc. through Investech Holdings, LLC is the founding equity partner of Iviewit.com. Huizenga Holdings Inc. brings a strategic portfolio of Internet investments and businesses, which has helped fuel the expansion of Iviewit.com's video and imaging technology.
- ***Armstrong Hirsch Jackoway Tyerman & Wertheimer*** - Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C. is one of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting Iviewit.com in developing the business structure of the Company.
- ***Proskauer Rose*** - *Proskauer Rose LLP is one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients through the United States and around the world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.*
- ***Kenneth Rubenstein – patent counsel***
KENNETH RUBENSTEIN
PARTNER
NEW YORK, NY OFFICE
Phone: 212.969.3185
Fax: 212.969.2900
Email: KRUBENSTEIN@PROSKAUER.COM
Contact: KENNETH RUBENSTEIN

Department
LITIGATION & DISPUTE RESOLUTION

Practice(s)

INTELLECTUAL PROPERTY

ANTITRUST

LICENSING / COMPUTER SOFTWARE

COPYRIGHT

COMMERCIAL LITIGATION

REGULATORY / FCC

TRADEMARK

INTERNATIONAL

ISRAEL

JAPAN

PACIFIC RIM

NEW MEDIA AND TECHNOLOGY

INTERNET COMMERCE

LICENSING / GENERAL COMMERCIAL

LICENSING / ENTERTAINMENT

REGULATORY / FTC

PATENT

NON-COMPETE & TRADE SECRETS

Bar Admission(s)

1983 NEW YORK

1983 NEW JERSEY

Court Admission(s)

1983 U.S. DISTRICT COURT, NEW JERSEY

1983 U.S. DISTRICT COURT, NEW YORK, EASTERN DISTRICT

1983 U.S. DISTRICT COURT, NEW YORK, SOUTHERN DISTRICT

Education

NEW YORK LAW SCHOOL, J.D., CUM LAUDE, 1983

MASSACHUSETTS INSTITUTE OF TECHNOLOGY, PH.D., 1979

MASSACHUSETTS INSTITUTE OF TECHNOLOGY, B.S., 1975

Bar Affiliation(s)

REGISTERED PATENT ATTORNEY BEFORE THE UNITED STATES PATENT AND TRADEMARK OFFICE, 1982

Ken received his Ph.D. in physics from the Massachusetts Institute of Technology where he also graduated with a B.S. Degree.

Ken received his law degree, cum laude, from New York Law School. He is a registered patent attorney before the U.S. Patent & Trademark Office. Ken is a former member of the legal staff at Bell Laboratories.

For the past several years Ken has worked on the formation of a patent pool for MPEG-2 technology, first on behalf of CableLabs, the research and development consortium of the cable TV industry, and now on behalf of MPEG LA LLC, an entity set up to license MPEG-2 essential patents. In particular, Ken worked on selecting those patents which are "essential" to the MPEG-2 standard and therefore suitable for inclusion in the pool. He worked with major consumer electronics companies and set top makers in doing this job. Under this arrangement, the MPEG-2 "essential" patents of a number of major companies are being made available in a single license. The pool has been operational since July 1996 and now has over fifty licensees.

Ken and his associates are now working on another patent pool involving large consumer electronics and entertainment companies concerning DVD technology.

Ken counsels his clients with respect to the validity and infringement of competitors' patents, as well as prosecutes patent applications. Such clients include the Institute of Microelectronics, a research and development laboratory of the government of Singapore; Standard Microsystems, an IC and local area network component company; C-Cube Microsystems, a developer of video encoder and decoder chips; Divicom, a developer of video encoders and decoders; Starlight Networks, a developer of video server software; and Maker Communications, Inc., a developer of multimode integrated circuits. Ken also represents the Taiwanese semiconductor companies Winbond and Vanguard. In the area of cryptography, Ken represents Bellecore and CableLabs. He has in the past also represented Tele-TV, a joint venture of NYNEX, Bell Atlantic and Pacific Telesis.

For the Industrial Technology Research Institute (ITRI), a national laboratory of the Republic of China, he manages a worldwide patent program in computers, communications and consumer electronics. For Bellecore, Ken has procured numerous patents in technical areas such as digital signal processing including speech and image processing, database management, artificial intelligence, packet switching, ISDN technology, and cryptography. For NYNEX, he has prepared and prosecuted patent applications in artificial intelligence, spread spectrum communications and advanced telephone services.

In the areas of licensing, technology transfer and joint development, Ken successfully concluded a major cross-license negotiation between AT&T and ITRI. He also negotiated a joint development agreement for a multiprocessor computer between ITRI and INTEL Corporation. He has litigated patent infringement cases related to Local Area Networks and related to SRAMs.

Ken and his wife Randee, a social worker, have four children, Ari, Sara, Debbie and Rebecca. Ken enjoys reading and baseball.

- Meltzer Lippe Goldstein – Raymond Joao – Patent counsel
Joao to describe in two paragraphs status and scope of patents and trademarks
- ***Americanenterprise.com*** - *Man is an emotional animal. Fear and Love are amongst the most powerful of man's emotions and are the very things that explain why greater than 70% of all of the internet page views are related to health care and the health care industry. Recognizing the importance of this market segment, iviewit.com has strategically aligned with the leading portal for the aggregation and dissemination of health care information. Americanenterprise.com and iviewit.com have entered into a strategic alliance to make accessible health care related video and imaging content to consumers, employers, physicians.*

government agencies (e.g. medicare, Social Security) and suppliers (e.g. pharmaceutical companies). Americanenterprise.com is building a private network comprised of 262 hubs located throughout North America. This network is more robust than the top 30-40 portals combined. Americanenterprise.com is an extraordinary alliance for iviewit.com. In addition to the content opportunities with the countless entities who will utilize this network, iviewit.com will also gain access to Americanenterprise's other national and international strategic alliance partners which number 18 in the areas of communications, software, hardware and integration and include 3M, IDX, MCI Worldcom, Uunet, ICON, Infogear, Telegent and EDS. Americanenterprise.com employs 6600 people and is planning it's own public offering in 2000. They enjoyed EBIT of \$40 million on revenues of \$150 million in 1999 and project 130% revenue growth and 250% EBIT growth by the end of 2001. The health care industry is a \$1.2 trillion business today and will grow to \$2.5 trillion by the year 2005. iviewit.com is ideally positioned, through this alliance, to participate in this tremendous growth.

- Doc McGhee -

Industry Analysis

Broadband Industry

The market for high-speed, or broadband access to the Internet from home is expanding at a rapid pace. According to Forrester Research, an industry research firm, more than 5 million U.S. households are expected to have broadband Internet access via cable modems, DSL telephone lines or direct satellite by the end of 2000, increasing to almost 19 million households by the end of 2002. These broadband systems typically allow sustained data transfer to the user of at least 256 kilobits per second, or approximately 5 times the access speed of the fastest standard narrowband modems. While this market is growing rapidly, it presently accounts for less than 2% of the Internet users online today. Accordingly, most companies involved in the development of technology and content for the Web are focusing on solutions that are intended to provide an acceptable experience for the predominant narrowband customer, while offering an improved version of the same experience to broadband users.

Broadband is a huge industry with trillions into the future and billions today – cable is X million US homes and X number global users. These users are trying to convert their users to Broadband and ramping up hardware and lines to handle.

Graph projected growth

Streaming Media Industry

A quickening pace of development in both broadband technology and content parallels the increase in Internet access speed. Multimedia streaming technology is bringing new levels of versatility, quality and simplicity to the creation and distribution of multimedia content over the Web. One measure of the growth in use of streaming media is the number of registered users posted by RealNetworks, a company that develops software

used by broadcasters to stream multi-media content over the Internet. The first RealPlayer was released in 1995, and to date over 80 million unique users have been registered. The RealPlayer download rate now exceeds 175,000 per day, an increase of more than 270% since the beginning of 1997.

The emergence of rich multimedia capabilities, such as streaming audio and video, will continue to enhance the effectiveness of the Web as a mass communications medium and Intranets as a means to improve corporate communications. Content delivered through traditional media, such as television and radio, will be increasingly delivered over the Internet.

Competitor Analysis

Due to the increase in opportunity with streaming media over broadband, there are many companies competing to offer high quality streaming over the Internet. Iviewit.com has reviewed and evaluated its technology to comparable products of major competitors. The following are the major characteristics that are important in providing consumers an uninterrupted, high quality video streaming experience:

- *Full Screen vs. Reduced Screen* – Due to the large amount of bandwidth required for streaming video, many companies can only offer the video stream on a reduced screen in order to enhance the quality of the video.
- *TV Quality vs. Grainy Picture* – Due to the constraints of the pipeline, the picture is often interrupted with hiccups, which break up the picture or cause the picture to be grainy.
- *Streaming vs. Downloading* – Due to the large amount of time and hard drive space required for downloading, most consumers prefer to have their video streamed in real time. In addition, there are many piracy issues associated with downloading, thus many content owners do not allow downloading of its audio or video content. The benefit of downloading is that it provides a higher quality picture for the end user.
- *Standard Player Software vs. Proprietary Downloaded Players* – The standard player software included on Microsoft’s Operating System is Windows Media Player and RealPlayer. Some companies require the end user to download their own proprietary players, which is sometimes time consuming and burdensome for consumers.
- *Standard Plug-ins vs. Proprietary Downloaded Plug-ins* – Once again, many companies require the end user to download their own proprietary plug-ins in order to stream media.

The following is a table that compares Iviewit.com’s technology with its major competitors, as well as brief descriptions on each of the competitors.

Company	Full Screen	TV Quality	Streaming	Non-Proprietary Video Player	No Plug-in Download
TheDen.com	√	√	√		
MS Media Player	√			√	√
On2.com	√	√	√		
Pixelon	√	√			

RealNetworks	√		√	√	√
Iviewit.com	√	√	√	√	√

Table 1.0 – Features of Streaming Video Competitors

Sonic Foundry
Encoding.com
Videodome.com

Need to restructure to call these guys potential license plays

~~*Digital Entertainment Network (DEN)* – DEN produces and delivers Internet-based digital entertainment and information services. The company has created a digital media network to provide an online destination for youth to access original, youth-oriented, interactive entertainment and music, participate in building online communities and purchase consumer goods and services.~~

- **Microsoft's Media Player** – Microsoft's Windows Media Technologies provide the ability to create, deliver and play streaming media files over the Internet. Windows Media Technologies components include the Windows Media Tools, Windows Media Services streaming server, and Windows Media Player.
- **On2.com** – On2.com is developing a network of Web channels for broadband-enabled consumers that combines television-quality video with the interactive capabilities of the Internet. The On2.com broadband network will be powered by the Company's proprietary video compression and streaming software, TrueMotion VP3. This service will be available to broadband users. On2.com's overall strategy is to position itself as the early leader in broadband Internet content and technology.
- **Pixelon** – Pixelon is positioning itself as "the future of broadcasting" over the Internet. The company uses a proprietary player and is an advertiser supported network. The broadcasting provides full screen, full motion, CD Audio and TV Quality Video. Pixelon held a highly publicized launch event on Halloween weekend 1999; featuring a concert in Las Vegas starring The Who, KISS, The Dixie Chicks, Brian Setzer and several other artists.
 - **RealNetworks** – RealNetworks provides media delivery and distribution solutions designed for the Internet. RealNetworks' solutions enable consumers to experience and content providers to deliver a broad range of multimedia content, including audio, video, text and animation.

Separate section for Image

INDUSTRY BACKGROUND

Growth of the Internet and e-commerce

The Internet has emerged as a global interactive medium enabling millions of people worldwide to share information, communicate and conduct business electronically. The Internet differs from traditional media by its lack of geographic limitations and its ability to provide instantaneous data communication. International Data Corporation, or IDC, estimates that the number of Web users will grow from approximately 69 million worldwide in 1997 to approximately 320 million worldwide by the end of 2002. Growing usage of the Internet has been driven primarily by the rapid

proliferation of personal computers, easier, faster and affordable access to the Internet, increasingly robust network architectures and the emergence of compelling content and applications.

The emergence of the Internet and secure transaction networks has generated significant opportunities for businesses to conduct electronic commerce. IDC estimates e-commerce revenues will grow from approximately \$12.4 billion worldwide in 1997 to \$237 billion worldwide by 2001. According to Forrester Research, on-line leisure travel reservations will grow from 1.3 million trips in 1997 to 65.5 million trips by 2003. With respect to real estate, Yankee Group reports that the percentage of homebuyers using the Internet to shop for a home will increase from 4% in 1997, to over 30% in the year 2000. Additionally, Forrester Research estimates that on-line classified advertising will grow from \$185 million in 1998 to \$2.9 billion in 2003. This widespread deployment and acceptance of the Internet has introduced rapid changes in the way information is produced, distributed and consumed.

Demand for effective on-line content

The popularity of the Internet has resulted in substantial growth in the number and types of Web sites. According to IDC, the number of Web sites is estimated to grow from 829.4 million in 1998 to 2.7 billion in 2000. New technologies are allowing Web site operators and advertisers to measure a site's traffic, average time spent on a site and visit-to-purchase ratios. Advertisers are utilizing this data to measure the effectiveness of Internet advertisements and to set advertising rates. This data is causing businesses to demand content and features that will allow them to attract visitors, increase the amount of time spent on their Web sites and promote e-commerce. According to a Forrester Research survey of online consumers, 75% of those surveyed stated that content was the most important factor in attracting and retaining visitors to Web sites.

Emergence of broadband capability

The transmission of data intensive content over the Internet has been limited due to historical bandwidth constraints. Increasing availability of improved delivery systems, such as digital cable modems, satellite delivery systems and DSL networks are enabling the use of more feature-rich multimedia content. Forrester Research predicts that approximately 16 million U.S. households will have broadband connection by the end of 2002, representing approximately 25% of the homes connected to the Internet.

Growth in the use of digital imaging

Fundamental changes are occurring in the photography industry with the introduction of the digital camera. The digital camera allows the user to take pictures and display them digitally, either on a personal computer or over the Internet, without the need for traditional film development. Because digital cameras were initially expensive, early adopters of this technology were Professionals and hobbyists. Recently, sales of digital cameras have grown substantially due to improved performance and lower unit prices. IDC forecasts that worldwide digital camera shipments will grow from 2.7 million units in 1997 to 29.5 million units in 2002.

Lack of interactivity and realism with existing digital imaging technology

Companies are increasingly using digital imaging to promote their products and present information on their Web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their Web sites. However, most of the images remain flat two-dimensional images offering a limited field of view. Technological innovations that enhance realism and interactivity and contribute to a viewer's retention to that Web site will facilitate the success of e-commerce by potentially leading to increased sales and advertising rates. Webcams and streaming video are some of the technological innovations businesses are using to attract

and retain visitors to their Web sites. Specifically, immersive imaging, or the ability to create the viewing perspective of being inside the image, is becoming increasingly popular with many Web sites. However, image creation with many of the existing immersive technologies is labor intensive and requires proprietary hardware. Conditions such as inadequate lighting, subject motion or lack of portability reduce the effectiveness of the image. As a result, market acceptance of these technologies has been limited.

In order for widespread adoption of immersive imaging by businesses and consumers to occur, new immersive technologies must offer the following benefits:

- ease of creating and viewing an image;
- ease of distributing and sharing the image;
- portability of the capture device;
- cost effectiveness;
- use of standardized technology; and
- platform independence.

Competitive overview

Interactive Pictures Corporation(IPIX)

Interactive Pictures puts you in the picture. The company's IPIX technology is used by travel and hospitality (Marriott), publishing (New York Times), real estate (ERA), education (National Geographic), and entertainment (Disney) companies to enhance multimedia content, interactivity, and e-commerce on Web sites. Its Wizard software (sold on a per-use basis) converts two photos taken with a digital camera into one IPIX image. The company also sells IPIX-ready digital cameras and accessories and offers multimedia services. Interactive Pictures, whose shareholders include investor Lee Martin, Motorola, MediaOne, and GE Capital, is merging with bamboo.com, a provider of virtual home tours on the Internet.

Bamboo.com

Interested in touring that new home across town (or even across the country)? bamboo.com (formerly Jutvision) can take you there without wearing out your tires. The company provides virtual tours of real estate properties for sale or rent in more than 100 metropolitan areas across the US and Canada. The tours allow users to view the inside and outside of properties, panning right and left or zooming in for a better look. bamboo.com charges real estate agents a one-time fee to videotape a property, convert the videotape into a virtual tour, and distribute the tour through Internet sites or e-mail. The company markets its tours through agreements with Web sites such as REALTOR.com and HomeBuilder.com.

MGI Software (Live Picture)

Live Picture, Inc.

Live Picture, Inc. (LPI) is the leader in Internet imaging and the inventor of zoomable images for the Internet. Live Picture develops and sells a complete suite of image servers and Internet and consumer applications based on its Zoom image technology. Live Picture products are used for creating, managing, and distributing highly detailed images for network and print applications. Leaders in the retail, entertainment, travel, real estate and publishing industries are among Live Picture's enterprise customers. Live Picture's LivePix brand of consumer software provides high-performance PC photography solutions for families and small office/home office (SOHO) customers.

Live Picture makes images on the Internet fast, interactive, and informative. Our award-winning software make it easy to create images that help sell products, by allowing you to zoom in and examine details of photographs, illustrations, 3D objects, and panoramic vistas. Our software also makes it easy to integrate these elements to create an environment that delivers the sense of being immersed within the scene. With Live Picture servers, images download quickly, even over typical modem connections, because they're based on Flashpix and the Internet Imaging Protocol (IIP)—open standards invented by Live Picture—to rapidly stream images, regardless of size, over networks. Flashpix and IIP are endorsed by the Digital Imaging Group (DIG), whose founding members include Adobe, Canon, Fuji, Hewlett Packard, IBM, Intel, Kodak, Microsoft, and Live Picture.

Live Picture offers several viewing options, including its patent-pending Universal Viewing technology, which requires no special client software, as well as Java applets and plug-ins for advanced viewing and high-resolution printing.

Ulead Systems, Inc.

Ulead Systems, Inc. was founded in 1989 to develop and market Windows-based imaging and video production tools that empower people to share their ideas and memories more easily and creatively. Our mission is to provide easier, faster, and superior imaging, video, 3D and Internet software for business and personal communications.

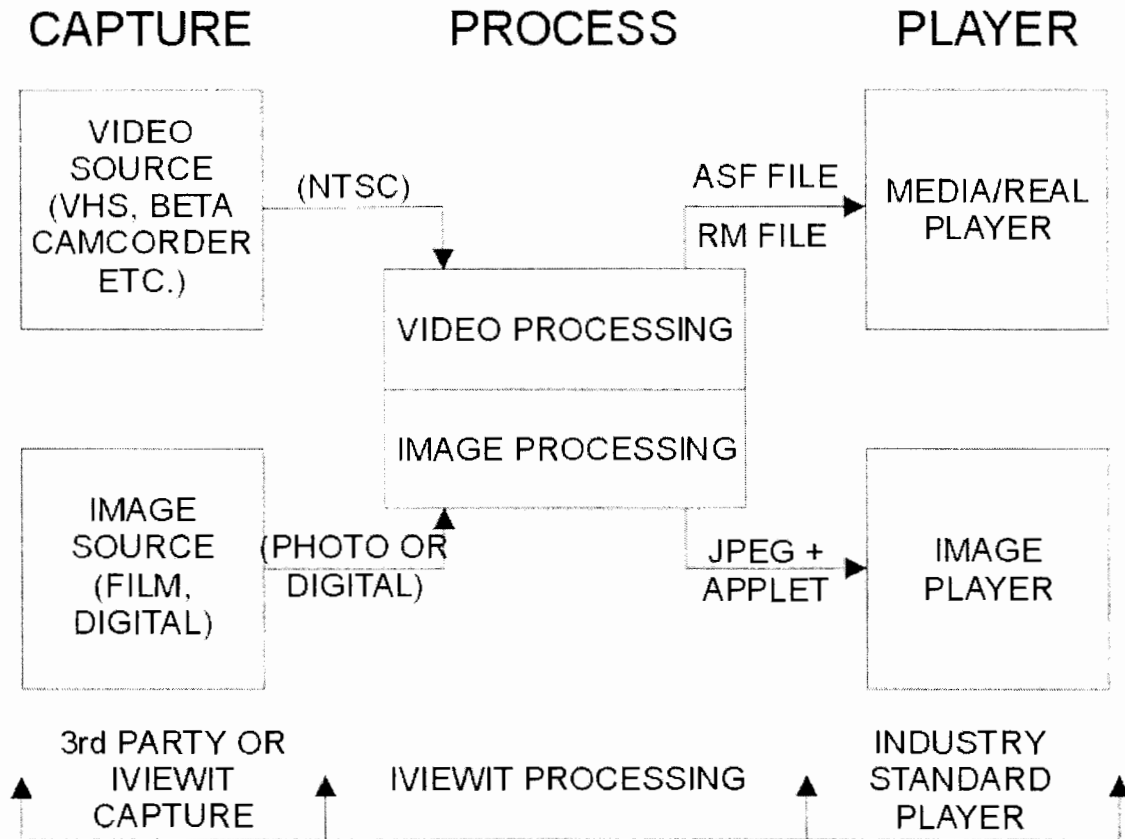
At Ulead, we strive for excellence. Our products are recognized as leading solutions for image editing & management, video editing, 3D and Web graphics. Ulead products serve millions of users worldwide and have won extensive industry recognition, including four 1998 Windows Magazine Win100 awards.

Comparison Table

	Full Screen	Single Image Zoom	Image Distortion (Wavy, Warped, or Grainy)	Pixelation Upon Zoom	Panning Ability (up, down, left, right)
<u>IPIX</u>	<u>NO</u>	<u>YES</u>	<u>YES</u>	<u>YES</u>	<u>up, down, left, right</u>
<u>BAMBOO</u>	<u>NO</u>	<u>YES</u>	<u>YES</u>	<u>YES</u>	<u>Left and right</u>
<u>ULFAD</u>	<u>NO</u>	<u>YES</u>	<u>YES</u>	<u>YES</u>	<u>up, down, left, right</u>
<u>MGI SOFTWARE</u>	<u>NO</u>	<u>NO</u>	<u>YES</u>	<u>YES</u>	<u>up, down, left, right</u>
<u>VIEWIT</u>	<u>YES</u>	<u>YES</u>	<u>NO</u>	<u>NO</u>	<u>up, down, left, right</u>

Product Description

IVIEWIT PROCESS TECHNOLOGY



PROCESS

iviewit's impressive image and video products are the result of several years of development focused on the entire process of image/video acquisition through delivery over the web. Care has been taken to maintain industry interface standards such as NTSC, Media player and Real Player in order to preserve the broadest possible range of application. The result is industry leadership products without requiring special downloads or equipment. iviewit processes are proprietary and protected as trade secrets and patents filed with the U.S. patent office.

VIDEO

Internet ready digital files are produced from virtually any source producing NTSC (US) compatible or IEEE 1394 firewire interfaces. Other interfaces such as PAL or SECAM can be accommodated. The output digital files are MS Media Player or RealNetworks

Real Player compatible. Individual files are produced for either modem or broadband use. The proprietary process is extendable to include video acquisition. Even though this phase is not a pre-requisite, improvements in final video quality are attainable by using iviewit's total video process. A TV interface adapter is planned which allows a PC monitor output to be connected to a TV set. Using a TV in this way further enhances the quality of the video due to the fact that a TV set is optimized to displaying video type images.

IMAGING

iviewit offers a wide range of "over the web" high quality, full screen imaging. Images range from stills to zoomable images and panoramic images of up to 360 degrees with very high levels of zoomability. Images produced by iviewit's image process are identical in quality regardless of speed on the end-user's internet connection speed. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. ~~minimize download times.~~ Output file sizes typically range from 30KB to \approx 400KB for a full 360 degree panorama. Source material may be conventional emulsion type film or digital. Special photographic techniques are employed to ensure the final quality of the process ("garbage in, garbage out"). Unlike conventional web-ready images which become severely distorted after magnification attempts of just 1-2 times, iviewit processed images are especially resistant to pixelation even when zooming in to obtain screen magnification levels of up to 20:1.

OFFERING

Iviewit's offerings include the following:

- Photographic or Video recording services.
- Image and Video processing.
- Web hosting of image and video content, linked to a clients site.
- Web site creation and hosting.
- Site licensing for the distribution of iviewit product.

Video Streaming Technology

- Explain the process of converting the video (Insert graphic on the process of converting video source to a streaming video) and its application
- Describe iviewit.com's technology as it relates to the above process
 - Runs 50% - 80% more efficient, therefore more cost efficient
 - VHS quality streaming
 - Explain the current production process (6 buttons to push).
 - Explain the cost and time of the production process; (takes 3 hours to process 1 hour of content; 1 full time operator can process 24 hours of content in one day).

- Explain the reliability, maintenance and/or updating factors
- Requires streaming capability of approximately 100Kb to produce high quality streaming
- Turn around time of 1 day for the product
- Retain the control of the black box and quality of process by doing it at iviewit.com
- Describe the Facility required to process the video content
- Discuss the evaluation made by REAL 3D
- Discuss future development plans for the product and timing of developments
 - Explain the expected future production process (1 button to push)

Digital Imaging Technology

(This section should be much shorter than the above)

- Explain the technology and which major industries can benefit from it
- Markets
 - Hotels & Resorts
 - Medical Imaging
 - Health Care
 - Military & Government
 - Software applications
 - Executive Search, Modeling, Casting & Dating Services
 - High-end Auctions
 - Sports
 - Residential Properties
 - Commercial Properties
 - Automotive
 - Art
 - High-end Luxury (e.g. Boats & Airplanes)
 - Image Libraries
 - Computer Games
 - 3D Graphics
 - _____
- ~~Currently working on a Hyatt Hotel. (Any others?)~~
- Revenue model: ~~(brian to complete)~~
 - Photoshoot: 15% of \$6,000
 - Annual licensing fee: \$1,800
 - Per click fee: \$.03 - \$.10 a click, with a minimum of \$140 per month

~~Explain that it is a very valuable technology with great potential, but not as large as the video. Thus the company is exploring possibilities of a master licensing partnership in order to focus its efforts on the video streaming technology.~~

Proprietary Features

~~(Alan: Could you possibly help with this information? Just need a couple paragraphs.)~~ Ray Joao to fill in with Ken Rubenstein

- Discuss Patents and Status of Patents
- Copyrights, trademarks or servicemarks, if applicable

Additional applications from the technology

- Ability to split the information to the television for better quality picture
- Video-conferencing
- 3D Graphics
- Computer Aided Design (CAD)
- (Others?)

Market Opportunity & Penetration Strategy

Market Opportunity for Video Streaming

Streaming media is now the most widely used application after browsers and online programs like AOL on the Internet... and it is growing exponentially. Microsoft's Media Player, RealNetworks suite of players and Apple's Quick-Time Player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, *on demand*.

The pipe to deliver "fat" content to Internet users worldwide is being laid by cable operators, phone companies, satellite operators and fiber optic network companies. US cable modem subscribers are expected to increase to 3.3 M in 2000 (up from 1.6M in 1999). DSL customers (serviced by phone companies) will nearly triple to 1.4M in 2000 from 500,000 in 1999.¹ The advent of broadband network connectivity in the mass market is at hand: serving notice to anyone with content to sell or promote that it's time to get serious about developing broadband enhanced content distribution strategies.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies mentioned above. Iviewit.com's suite of technologies will positively affect and benefit all of these parties.

For consumers who have a broadband pipe in their homes, streaming video is the "killer app." ~~The promise of rich visual content defines the reason for paying between USD \$40-50 per month for the increased bandwidth. It means that consumers can see the entertainment, news, product commercials, infomercials and education videos they want at near TV quality. That promise will be fulfilled, at last, by the proliferation of content delivered through and with iviewit.com. RealNetworks G2 Player download rate options, at the high end, still only support a CD-ROM display at approximately half the computer screen space. The companies responsible for providing the infrastructure for broadband recognize the importance of promoting enabling technologies and driving media rich content to the web. Their paradigm has shifted to include content creation as a significant element of their overall strategy. Greater availability of quality content on the web will increase demand for the pipes necessary to view it. Similarly, the popularity of software applications that "play" the content files will increase dramatically as Iviewit.com's technology will enhance any media player operating on a broadband network and provide video quality full screen streaming media.~~

For Business to Business (b2b) e-commerce sites, Iviewit.com's technology will provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product manuals through Iviewit.com's proprietary system, business e-commerce sites can leverage their ~~video~~ video and image investments into an on-

¹ Broadband Intelligence July 1999

demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality ~~full-screen video~~ visual experiences. Licensing these b2b sites will be a primary market focus for Iviewit.com's technology.

For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues etc., Iviewit.com's technology means that video streaming can finally become a revenue source. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for the small screen, grainy content prevalent on web today and the pipeline required for serving these files is expensive. ~~Less than full-screen video streams and the pipeline required for serving these files is expensive.~~ Iviewit.com's technology provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and reducing the file size required to serve them. These solutions are at the core of Iviewit.com's competitive market advantage.

For digital video distribution companies, Iviewit.com's technology is extremely attractive because it reduces the required file size to be streamed. (Brian: we need to insert the quantitative metrics that speaks to what the reduction in file size is after video goes through Iviewit.com's process.)

In summary, the marketing potential for Iviewit.com's technology is substantial. The Company will engage in a high profile launch campaign designed to build awareness for its technology with all the key market influencers and then concentrate on a licensing program to populate its technology among b2b and b2c internet sites.

Market Penetration Strategy – need to add imaging business

Given the market opportunity, Iviewit.com will penetrate two major markets in two separate phases. Iviewit.com's goal is to initially sell through short video segments to major corporations who have already invested capital in television marketing. The following describes the two phases and the projected penetration into each market.

Shouldn't we include the Nomad project. Can't we project advertising revenues for this project in March/April timeframe?

Phase One – Iviewit.com will initially target major corporations who have significant budgets to produce and broadcast television commercials. Iviewit.com will license its technology to process 30-second videos at a price of \$1,000 per second (\$30,000 per 30-second commercial). Iviewit.com expects to generate revenue for these 30-second commercials by July 2000.

Phase Two – The next target market will be business e-commerce sites that have a need to offer web site infomercials, product manuals, product announcements and other 3 minute video segments on demand over the Internet. Iviewit.com will license its technology to process the 3-minute videos at a price of \$180,000. Iviewit.com expects to enter this market by October 2000.

Penetration Rate – Iviewit.com expects to initially sell twelve 30-second licenses and two 3-minute video licenses. The plan is to grow the number of licenses sold every quarter by 50%. The following table outlines the expected number of licenses to be sold:

Video Product	July – Sept 2000	Oct – Dec 2000	Jan – Mar 2001	Apr – June 2001	July – Sept 2001	Oct – Dec 2001
30-Second	36	54	81	122	182	273
3-Minute	0	6	9	14	20	30

Table 2.0 – Projected Number of Licenses To Be Sold

(We need to insert the number of 30-second commercials produced each year, to show that our penetration rate is a small percentage of the total market.)

Distribution – One of the largest challenges in selling Iviewit.com’s technology is to educate the customer of the benefits to streaming video, and to prove that Iviewit.com’s technology provides the highest quality experience. As a result, Iviewit.com plans to hire top-notch sales people with strong relationships in the Fortune 1000 advertising business to make direct sales. In addition, Iviewit.com is considering creating a partnership with a digital distribution company (i.e. InterVU, iBeam, Vstream, etc.), in order to provide customers with a total streaming solution, as well as to leverage relationships between both companies.

Benefits to Customers – In marketing this technology to business e-commerce sites, there are various benefits to the company. Not only will companies be able to leverage their existing commercial assets, but they will also be able to better target potential customers over the Internet. Being able to provide a commercial on demand for someone interested in purchasing a Nissan Pathfinder can be much more powerful and cost effective than running television commercials. Plus, with Iviewit.com’s high-quality streaming, the customer receives an overall better experience.

With the longer video segments, this is an opportunity for companies with complex products to better educate their consumers. Companies who spend large amounts of money on infomercials can also provide the video information on demand at their web site. Plus, companies with products that require directions to assemble can provide video instructions over the Internet.

Branding – The strongest attribute of Iviewit.com’s technology is its superior streaming quality over competitors. End consumers will be able to witness this when viewing videos over the Internet. However, Iviewit.com wants to also insure the quality of the process of transferring the Beta SP video to an Iviewit.com streaming media file. Thus, Iviewit.com has decided to maintain control of this process by transferring the video in-house. This paragraph needs a rewrite

In addition to branding Iviewit.com as a high quality technology, Iviewit.com plans to also brand its name to end users. Similar to “Intel Inside”, Iviewit.com will watermark its streaming video with the company name.

Launch Strategy

In order to receive the required visibility from consumers, business e-commerce sites, intellectual property owners, digital distributors and Wall Street, Iviewit.com plans to launch its technology with a high profile entertainment event. Iviewit.com is currently in discussions with the producers of i.m:Nomad to use Iviewit.com's technology to stream the mini-series. Plus, Iviewit.com will receive significant recognition as the technology driving the high quality video streaming. The following is a description of the event:

i.m.Nomad is a breakthrough short-form, entertainment mini-series consisting of 15 four-minute episodes and crafted for the Internet. These erotic, episodic and wholly interactive stories, combined with behind-the-scenes footage, will form the basis for a one-hour pay TV special.

i.m.Nomad stars three of the world's most high profile and successful supermodels: *Sports Illustrated* cover girl Heidi Klum, Chanel spokesperson Estella Warren and *Victoria's Secret* model Rachel Roberts. These internationally recognized beauty stars will perform for the first time ever in the nude. Each will assume a different identity, which will be characterized with stylized, signature body art. Heidi Klum, Estella Warren and Rachel Roberts will actively promote the venture in all forms of media as part of an orchestrated worldwide campaign, which includes: Internet viral marketing and magazine, television and radio interviews.

Iviewit.com feels the concept and demographic of this mini-series best targets its consumers. This mini-series will attract mainly a male audience, which is the majority of broadband users. Also, the extension of the mini-series over 15 weeks allows more time for PR and major promotions.

Further launch initiatives: Forge strategic alliance w/pey-per-view company to produce events such as Billy Joel, CSNY, Dixie Chicks, etc.

Timeline

Date	Milestone
January 31, 2000	Close First Round of Financing - \$10 - \$25 Million
	Secure Content for Launch of Iviewit.com
	Begin Viral Marketing Campaign of Iviewit.com
February – April, 2000	Hire Key Executives and Staff
April 15, 2000	Official Marketing Campaign Begins
	Sales & Marketing Team Approaching Potential Clients
May 15, 2000	Official Launch of Iviewit.com
July 2000	Begin to Generate Revenue for 30 Second Video Segments
October 2000	Begin to Generate Revenue for 3 Minute Video Segments
	Breakeven for Iviewit.com
?	Close Second Round of Financing
December 2001	Initial Public Offering

Financial Analysis

Financial Highlights

Based on the revenue and expense assumptions described in the following two sections, the net margin for Year Two is approximately 40% and break-even occurs by the 10th month of Year One.

Iviewit.com plans to make an Initial Public Offering by the end of Year 2001. The monthly projected net income by the time of the Offering will be approximately \$2 million. Iviewit.com will require financing of approximately \$20 million to carry it to IPO. The primary use of funds will be to secure a first-class management team to quickly grow the company.

Revenue Assumptions

The revenues are based on the Two Phase Plan described in the section titled "Market Penetration Strategy". Phase One assumes that Iviewit.com will begin to license its technology by July 2000 for twelve 30-second video segments at a price of \$1,000 a second (\$30,000 for a 30-second video segment). Every quarter the number of segments sold will increase by 50%.

Phase Two assumes that Iviewit.com will begin to license its technology by October 2000 for two 3-minute video segments at a price of \$180,000 per 3-minute video. Every quarter the number of segments sold will increase by 50%.

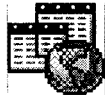
Iviewit.com believes the revenue model to be conservative since it does not include Digital Imaging revenues.

Expenses Assumptions

(Brian: I need to better understand the direct costs for the process of transforming Beta-SP to Iviewit.com's streaming media, not including labor)

The majority of SG&A expenses are for salaries and marketing. The monthly salary expense in Year One is approximately \$360,000 and the monthly marketing expense is \$250,000. Iviewit.com has assumed that these amounts will increase by 10% in Year Two. The other major expenditure is in the amount of \$3 million for the i.m.Nomad mini-series to launch Iviewit.com's technology.

Attachment A – Financial Statements



"Iviewit Financial
Projections 1.1.xls"

Notes

1. Kathy do we have those charts brian did at our meeting, explaining bandwidth etc.?
2. Multiple pricing levels for different market segments – what the traffic will bear and not bear.

In such case, you should destroy this message and kindly notify the sender (viewmaster@iviewit.com) by

reply email. Please advise immediately if you or your employer does not consent

to Internet email for messages of this kind. Opinions, conclusions and other

information in this message that do not relate to the official business of my

firm shall be understood as neither given nor endorsed by it.

Oxford®

ESSELTE

ASSEMBLED IN MEXICO NO. H254P13



30% POST-CONSUMER
30% DE RESIDUOS DE CONSUMIDOR
30% DE DESPERDICIO DE PRODUCCIÓN USADO



OPERATING AGREEMENT

3744-0002 (138-MMM)
IVIEWIT.COM

Author: "Spencer Romoff" <SRomoff@proskauer.com> at -FABRIK/Internet
Date: 7/6/99 12:06 PM
Priority: Normal
TO: EpsteinA at AHJTW
TO: "Codi49" <Codi49@Adelphia.net> at -FABRIK/Internet
TO: "Simon" <Simon@Adelphia.net> at -FABRIK/Internet
TO: "Alps" <Alps@Netline.net> at -FABRIK/Internet
CC: "DThompson" <DThompson@proskauer.com> at -FABRIK/Internet
CC: "MLerner" <MLerner@proskauer.com> at -FABRIK/Internet
Subject: Limited Liability Company Agreement of iviewit LLC

----- Message Contents -----

From: Spencer Romoff
Date: Tue, Jul 6, 1999 12:06 PM
Subject: Limited Liability Company Agreement of iviewit LLC
To: Alps; Codi49; EpsteinA; Simon
Cc: DThompson; MLerner
Attached is a copy of the Limited Liability Company Agreement of iviewit LLC. I will send execution copies tonight by overnight mail.

Please call me (212-969-3219) or Mara (561-995-4764) if you have any questions or comments.

Spencer

Received: from hyde6.fabrik.com by powell.fabrik.com
with SMTP (Fabrik F07.3-000)
id SINN.13790395@powell.fabrik.com ; Tue, 6 Jul 1999 12:06:20 -0700
Received: from relay3.smtp.psi.net ([38.8.210.2]) by hyde6.fabrik.com
(post.office MTA v2.0 0813 ID# 0-0U10) with ESMTP id AAA142
for <EpsteinA@armstronghirsch.com>;
Tue, 6 Jul 1999 12:02:34 -0700
Received: from [38.161.93.75] (helo=proskauer.com)
by relay3.smtp.psi.net with smtp (Exim 1.90 #1)
for EpsteinA@Armstronghirsch.com
id 111aU8-0001BC-00; Tue, 6 Jul 1999 15:02:29 -0400
Received: from PRGMNY-Message_Server by proskauer.com
with Novell_GroupWise; Tue, 06 Jul 1999 15:07:28 -0400
Message-Id: <s7821bb0.070@proskauer.com>
X-Mailer: Novell GroupWise 4.1
Date: Tue, 06 Jul 1999 15:06:56 -0400
From: Spencer Romoff <SRomoff@proskauer.com>
To: Codi49@Adelphia.net, Simon@Adelphia.net,
EpsteinA@Armstronghirsch.com, Alps@Netline.net
Cc: DThompson@proskauer.com, MLerner@proskauer.com
Subject: Limited Liability Company Agreement of iviewit LLC

Author: "Spencer Romoff" <SRomoff@proskauer.com> at -FABRIK/Internet
Date: 7/6/99 8:10 AM
Priority: Normal
TO: EpsteinA at AHJTW
TO: "DThompson" <DThompson@proskauer.com> at -FABRIK/Internet
TO: "MLerner" <MLerner@proskauer.com> at -FABRIK/Internet
Subject: iviewit LLC

----- Message Contents -----

From: Spencer Romoff
Date: Tue, Jul 6, 1999 8:10 AM
Subject: iviewit LLC
To: DThompson; EpsteinA; MLerner

Below is a revised Section 11.01 of iviewit LLC, reflecting Alan's comments on the last draft. Mara, Alan thinks they may want to have the membership interests issued directly to "New Media Holding, Inc., a Nevada corporation," rather than "Armstrong, Hirsch, Jackoway . . . " Does that present a problem?

If there are no further comments on the Agreement, I would like to send the most recent draft to Jerry Lewin. I think we've kept him out of circulation on the last couple of drafts.

"11.01 Indemnity. Subject to the provisions of Section 11.03 hereof, to the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the Company, by reason of the fact that such person is or was a Class A Member, a Manager, officer, director, controlling person, employee, legal representative, advisory committee member or agent of the Company, or is or was serving at the request of the Company as a Manager, director, officer, partner, controlling person, employee, legal representative, advisory committee member or agent of another limited liability company, partnership, corporation, joint venture, trust or other enterprise (a "Covered Person"), against any loss, liability, damage, claim or expenses, including attorneys' fees, judgment, fines and amounts paid in settlement ("Expenses"), actually and reasonably incurred by such Covered Person in connection with the action, suit or proceeding if such Covered Person acted in good faith and in a manner which such Covered Person reasonably believed to be in or not opposed to the best interests of the Company, such act was not prohibited by Section 3.02 hereof and, with respect to a criminal action or proceeding, had no reasonable cause to believe such Covered Person's conduct was unlawful."

Received: from relay3.sip.psi.net by powell.fabrik.com
with SMTP (Fabrik F07.3-000)
id SINN.13785809@powell.fabrik.com ; Tue, 6 Jul 1999 08:05:12 -0700
Received: from [38.161.93.75] (helo=proskauer.com)
by relay3.smtp.psi.net with smtp (Exim 1.90 #1)
for EpsteinA@Armstronghirsch.com
id 111Wmo-0000W6-00; Tue, 6 Jul 1999 11:05:31 -0400
Received: from PRGMNY-Message_Server by proskauer.com
with Novell_GroupWise; Tue, 06 Jul 1999 11:10:33 -0400
Message-Id: <s781e429.067@proskauer.com>
X-Mailer: Novell GroupWise 4.1
Date: Tue, 06 Jul 1999 11:10:26 -0400
From: Spencer Romoff <SRomoff@proskauer.com>
To: EpsteinA@Armstronghirsch.com, DThompson@proskauer.com,
MLerner@proskauer.com
Subject: iviewit LLC
Mime-Version: 1.0
Content-Type: text/plain
Content-Disposition: inline

Author: "Spencer Romoff" <SRomoff@proskauer.com> at -FABRIK/Internet
Date: 6/18/99 1:16 PM
Priority: Normal
TO: EpsteinA at AHJTW
CC: "DThompson" <DThompson@proskauer.com> at -FABRIK/Internet
Subject: iviewit LLC Agreement

----- Message Contents -----

From: Spencer Romoff
Date: Fri, Jun 18, 1999 1:16 PM
Subject: iviewit LLC Agreement
To: EpsteinA
Cc: DThompson

Per Jerry Lewin's request, attached is a draft of the Limited Liability Company Agreement of iviewit LLC (the "Agreement"). Please call me or Rocky Thompson (561-995-4721) with your questions or comments or if you have any trouble opening the attachment.

Spencer Romoff

cc: Donald E. Thompson, Esq.

Received: from relay3.smtp.psi.net by powell.fabrik.com
with SMTP (Fabrik F07.3-000)
id SINN.13640342@powell.fabrik.com ; Fri, 18 Jun 1999 13:11:40 -0700
Received: from [38.161.93.75] (helo=proskauer.com)
by relay3.smtp.psi.net with smtp (Exim 1.90 #1)
for EpsteinA@Armstronghirsch.com
id 10v4zD-0007d0-00; Fri, 18 Jun 1999 16:11:39 -0400
Received: from PRGMNY-Message_Server by proskauer.com
with Novell_GroupWise; Fri, 18 Jun 1999 16:16:43 -0400
Message-Id: <s76a70eb.081@proskauer.com>
X-Mailer: Novell GroupWise 4.1
Date: Fri, 18 Jun 1999 16:16:33 -0400

From: Spencer Romoff <SRomoff@proskauer.com>
To: EpsteinA@Armstronghirsch.com
Cc: DThompson@proskauer.com
Subject: iviewit LLC Agreement
Mime-Version: 1.0
Content-Type: multipart/mixed; boundary="_A7F1F73B.DBBAD8ED"

Content-Type: text/plain
Content-Disposition: inline

Content-Type: application/octet-stream; name="Information Unavailable."
Content-Transfer-Encoding: base64
Content-Disposition: attachment; filename="Information Unavailable."
Content-Description: WordPerfect 6.0

Author: "iviewit" <alps@netline.net> at -FABRIK/Internet
Date: 6/7/99 8:40 PM
Priority: Normal
Receipt Requested
TO: EpsteinA at AHJTW
TO: "Christopher C. Wheeler (E-mail)" <cwheeler@prosauer.com> at -FABRIK/Internet
Subject: Armstrong to discuss corp structure and iviewit issues
----- Message Contents -----

From: iviewit
Date: Mon, Jun 7, 1999 8:40 PM
Subject: Armstrong to discuss corp structure and iviewit issues
To: Christopher C. Wheeler (E-mail); EpsteinA
When: Tuesday, June 08, 1999 12:00 PM-1:00 PM (GMT-05:00) Eastern Time (US & Canada).
Where: Teleconference

~~*~*~*~*~*~*~*~*

Chris, I am trying to get you and Alan Epstein to discuss a few issues today. I don't think it should be to lengthy, but we have to resolve some issues and concerns. Alan is available anytime b/w 12-1 Eastern, if this does not work, notify me and I will get alternate times tomorrow.

Company structure
Tax Rates
More risk
Length of time before we could convert in the event of a sale

Armstrong stock - Chris to write a letter re: how much (2.5%) and depending on the structure for the company when it will be forthcoming

Schedule meeting for techies for Paul Heeshen & Co. group

Chris to get confidentialities to Alan's guys, Alan sent request to Chris

6.7.99. Chris these are not the same ones as for Rosman group.

Received: from 204.117.219.2 by powell.fabrik.com
with SMTP (Fabrik F07.3-000)
id SINN.13524085@powell.fabrik.com ; Mon, 7 Jun 1999 20:52:16 -0700
Received: from alps [208.21.53.35] by tesla.netline.net
(SMTPD32-4.04) id A4CD7700F4; Mon, 07 Jun 1999 23:58:05 EDT
Return-Receipt-To: "iviewit" <alps@netline.net>
From: "iviewit" <alps@netline.net>
To: "Alan Epstein (E-mail)" <epsteina@armstronghirsch.com>,
"Christopher C. Wheeler (E-mail)" <cwheeler@proskauer.com>
Subject: Armstrong to discuss corp structure and iviewit issues
Date: Mon, 7 Jun 1999 23:40:49 -0400
Message-ID: <001601beb160\$dc553120\$243515d0@netline.net>
MIME-Version: 1.0
Content-Type: text/plain;
charset="iso-8859-1"
Content-Transfer-Encoding: 7bit
X-Priority: 3 (Normal)
X-MSMail-Priority: Normal
X-Mailer: Microsoft Outlook CWS, Build 9.0.2212 (4.71.2419.0)
Importance: Normal
X-MimeOLE: Produced By Microsoft MimeOLE V5.00.2014.211
Disposition-Notification-To: "iviewit" <alps@netline.net>

LAW OFFICES

ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER

A PROFESSIONAL CORPORATION

KARL R. AUSTEN
 JOSEPH D'ONOFRIO
 ALAN J. EPSTEIN
 HOWARD A. FISHMAN
 ANDREW L. GALKER
 ROBERT S. GETMAN
 GEORGE T. HAYUM*
 BARRY L. HIRSCH*
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 RANDY M. SCHIENBERG
 SCOTT A. STEIN
 ROBERT L. STULBERG
 BARRY W. TYERMAN
 ROBERT S. WALLERSTEIN
 ERIC C. WEISSLER*
 ALAN S. WERTHEIMER

1888 CENTURY PARK EAST, 18TH FLOOR
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TELEPHONE
 (310) 553-0305

FACSIMILE
 (310) 553-5036

OF COUNSEL
 ALLAN L. ALEXANDER
 ARTHUR O. ARMSTRONG
 RONALD J. BASS
 GERALDINE S. HEMMERLING

OUR FILE

July 29, 1999

3744.2
 3744.9.1

*ALSO ADMITTED IN NEW YORK

Via Federal Express

Ms. Jill Zammas
 Proskauer Rose LLP
 2255 Glades Road
 Suite 340 West
 Boca Raton, FL 33437-7360

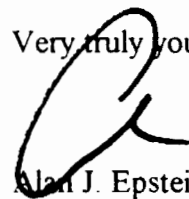
Re: iviewit LLC

Dear Ms. Zammas:

On behalf of New Media Holdings, Inc., I am enclosing an executed Subscription Letter Agreement and the executed signature page of the Operating Agreement, together with a check payable to iviewit LLC in the amount of \$625. I am sending you these items at the request of Mara Robbins of your office. If you have any questions or comments, please contact me at your earliest convenience.

Best regards.

Very truly yours,



Alan J. Epstein

AJE:td
 Enclosures
 AJE LETTERS:zammas.ltr

cc: (w/enclosure)
 Mr. Eliot Bernstein
 Mara L. Robbins, Esq.
 Christopher Wheeler, Esq.

**iviewit LLC
500 S.E. Mizner Boulevard
Suite 102
Boca Raton, FL 33432-6080**

July 8, 1999

New Media Holdings, Inc.
c/o Armstrong Hirsch Jackoway
Tyerman and Wertheimer
1888 Century Park East, 18th Floor
Los Angeles, CA 90067
Attn: Alan Epstein

Re: Grant of iviewit LLC Membership Units

Dear Mr. Epstein:

In connection with the organization of, and on behalf of iviewit LLC ("iviewit"), this Letter Agreement will confirm the terms upon which iviewit has, on or about June 18, 1999, agreed to issue New Media Holdings, Inc. 12,500 Class B Membership Units of iviewit (the "Class B Units" or "Units"). The purchase price for such Class B Units shall be \$.05 per Unit or Six Hundred Twenty-Five Dollars (\$625.00) in the aggregate (the "Purchase Price"). The Class B Units have the same rights as the Class A Units except that the Class B Units have no voting rights. The transfer restrictions and other terms relating to the Class B Units are more fully described in iviewit's Limited Liability Company Agreement dated as of July 7, 1999 which is attached hereto (Exhibit "A") for your signature. You agree with iviewit as follows:

1. Your Representations and Warranties.

(a) Restrictions of Transfer. You understand and agree that the Units have not been registered pursuant to the Securities Act of 1933, as amended (the "1933 Act"), or any state securities or blue sky laws (the "State Acts"), in reliance upon exemptions provided by the 1933 Act and the State Acts. You further understand and agree that you must hold the Units indefinitely unless the Units are subsequently registered pursuant to the 1933 Act and the State Acts or unless exemptions from those registration requirements are applicable to the transfer of the Units. You

acknowledge that iviewit has no obligation to take any action resulting in the registration of the Units or the availability of an exemption from such registration.

(b) Nondistributive Intent. You represent and warrant to iviewit that you are purchasing the Units solely for investment for your own account, and not for the account of any other person, and not with any present intention to resell or otherwise distribute the Units in any manner that would violate the 1933 Act or any applicable State Acts. You have no present plans to enter into any such contract, undertaking, agreement or arrangement.

(c) No Market for Units. You understand that you must bear the economic risk of this investment for an indefinite period of time because the Units are not registered under the 1933 Act or any State Acts. You have been advised that there is no public market for the Units and that the Units are not being registered under the 1933 Act, on the basis that the transaction involving their sale is exempt from such registration requirements as a transaction by an issuer not involving any public offering, and that reliance by iviewit on such exemption is predicated, in part, on your representations set forth in this Letter Agreement. You acknowledge that iviewit makes no representations of any kind concerning your ability to offer or sell your Units in a public offering or otherwise.

(d) Access to Information. You represent and warrant that, to the extent you have deemed necessary, you have consulted with your attorney, financial advisors and others regarding all financial, securities and tax aspects of the proposed investment, and that you and said advisors have reviewed this Letter Agreement and all documents relating hereto. You acknowledge that you and your advisors have had an opportunity to ask questions of and to receive answers from the officers of iviewit and to obtain such additional information and documents as deemed necessary by you to enable you to make an informed decision concerning the purchase of the Units, to the extent that iviewit possesses such information or could acquire it without unreasonable effort or expense: (i) relative to iviewit, its business and the Units; and (ii) necessary to supplement any information, documents, books and records furnished. You understand that iviewit may issue to third parties additional Units or other securities at any time for such consideration as its Managing Board deems appropriate and that in such event your interest in iviewit will be diluted.

(e) Rescission Right for Florida Residents. If you are a Florida resident, then you have the right, pursuant to Section 517.061(11)(a)(5) of the Florida Statutes, at any time within three (3) days after you first tender the Purchase Price or the date of your execution of this Letter Agreement, whichever is later, to notify iviewit of your intent to cancel this Letter Agreement. In such event, this Letter Agreement shall be canceled and of no further force or effect, and iviewit shall promptly cause to be refunded to you the Purchase Price paid by you for the Units, without interest or deduction.

2. Non-Disclosure of Confidential Information. You acknowledge that iviewit's proprietary information, trade secrets, computer programs and listings, object code, source code and/or subject code, copyright, trademark, patents, know-how, show-how, formulae, protocols,

specifications, forms, inventions, procedures, training methods, private or secret processes, business records and plans, customers and clients, proposed customers and clients, customer and client lists, methods of business, sales practices and strategies, financial information, pricing information, product design information, discounts, costs and technical information (collectively, the "Confidential Information") are valuable, special and unique assets of iviewit. In light of the highly competitive nature of the industry in which iviewit's business is conducted, you agree that all Confidential Information, previously, or in the future, obtained by you as a result of your association with iviewit shall be considered confidential.

The term "Confidential Information" does not include information which (i) is already in your possession (other than that which was furnished to you by or on behalf of iviewit prior to the date of this Letter Agreement), provided that such information is not known by you to be subject to another confidentiality agreement or other obligation for secrecy, (ii) is or becomes generally available to the public other than as a result of a disclosure by you or any of your agents, representatives or advisors, or (iii) becomes available to any you on a non-confidential basis from a source other than iviewit or its advisors, provided that such source is not known to be bound by a confidentiality agreement with or other obligation of secrecy to iviewit.

You agree, except with the prior written consent of iviewit, not to (i) use any Confidential Information for your own benefit, or the benefit of any person or entity with which you may be associated or (ii) disclose any such Confidential Information to any person, firm, corporation, association or other entity for any reason or purpose whatsoever. You agree that all right, title and interest in any Confidential Information shall be and shall remain the exclusive property of iviewit. In the event you are an employee, consultant or other advisor of iviewit, you agree to promptly disclose to iviewit all Confidential Information developed by you within the scope of your employment or other engagement by iviewit and to assign to iviewit any right, title or interest you may have in such Confidential Information and to turn over to iviewit all physical manifestations of the Confidential Information in your possession or under your control at the request of iviewit.

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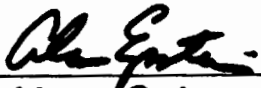
Please acknowledge that you agree to the terms and conditions of this Letter Agreement by executing this Letter Agreement in the space provided below and returning the executed Letter Agreement, along with a check representing the Purchase Price (made payable to iviewit LLC), to the attention of Mara Lerner Robbins, Proskauer Rose LLP, 2255 Glades Road, Suite 340-W, Boca Raton, Florida 33431 by no later than July 23, 1999. In the event that your executed Letter Agreement is not received by July 23, 1999, then this Letter Agreement will be considered withdrawn and no Units will be issued to you hereunder. Once the executed Letter Agreement and the check is timely received, we will issue the Units in your name and maintain a record of such in iviewit's corporate books.

iviewit LLC

By: 
Eliot I. Bernstein, President

ACCEPTED AND AGREED this 19 day of July, 1999:

New Media Holdings, Inc.

By: 
Alan Epstein, as its
Assistant Secretary

IN WITNESS HEREOF, this Limited Liability Company Agreement is entered into as of July 7, 1999.

Class B Members

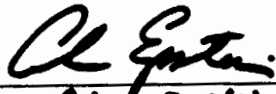
Proskauer Rose LLP

(25% Class B Member)

By:
Title:

New Media Holding, Inc.

(25% Class B Member)



By: *Alan Epstein*
Title: *Assistant Secretary*

By: Jude Rosario

(25% Class B Member)

By: Zakirul Shirajee

(25% Class B Member)

CASHIER'S CHECK

07530 PRIVATE BANKING
(OFFICE OF ISSUE) 015 28633

REMITTER: ARMSTRONG, HIRSCH, ET AL

PAY TO THE
ORDER OF

*****VIEWIT LLC*****

\$625 DLS AND 00CTS

**UNION
BANK OF
CALIFORNIA**

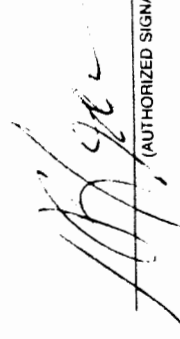
UNION BANK OF CALIFORNIA, N.A.
SAN FRANCISCO, CALIFORNIA

6139330

16-49
1220

DATE: JULY 19, 1999

\$*****625.00**



(AUTHORIZED SIGNATURE)

⑆6139330⑆ ⑆12000496⑆0565000007⑆



LIMITED LIABILITY COMPANY AGREEMENT
OF
iviewit LLC
a Delaware Limited Liability Company
(the "Company")

The parties to this Limited Liability Company Agreement of the Company are each of the Members (as hereinafter defined) listed on Schedules A1 and A2, who collectively constitute all of the Members of the Company as of July 7, 1999.

RECITALS

June 18,

WHEREAS, on or about January, 1999, the Members agreed to become business associates and to form a business for the purposes set forth in Section 1.03 hereof and, at that time, established the value of the property to be contributed to the Company; and

WHEREAS, the Class A Members (as hereinafter defined) have since formed a limited liability company pursuant to the Delaware Limited Liability Company Act (the "Act") pursuant to a filing of a Certificate of Formation with the Secretary of State of the State of Delaware on June 11, 1999.

NOW, THEREFORE, Each of the Members wishes to enter into the Limited Liability Agreement of the Company to properly reflect their respective interests in the Company and, accordingly, the parties have agreed as follows:

ARTICLE I

General Provisions

1.01 Registered Office. The registered office of the Company in Delaware shall be The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

1.02 Other Offices. The Company has an office at 500 SE Mizner Blvd., Suite 102, Boca Raton, Florida 33432 and may have other offices that may at any time be established by the Managing Board at any place or places.

1.03 Purpose; Nature of Business Permitted; Powers. The Company is organized primarily for the object and purpose of engaging in any lawful act or activity for which limited liability companies may be formed under the Act. The Company shall possess and may exercise all the powers and privileges granted by the Act or by any other law or by this Agreement, together with any powers incidental thereto, insofar as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business purposes or activities of the Company.

1.04 Fiscal Year. The fiscal year of the Company ("Fiscal Year") shall end on December 31 of each year.

1.05 Definitions.

(a) "Adjusted Capital Account Deficit" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which such Member is obligated to restore or is deemed to be obligated to restore pursuant to Treasury Regulations Sections 1.704-2(g) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(b) "Assignment" shall mean the Assignment, to be executed by Eliot I. Bernstein to and for the benefit of the Company.

(c) "Capital Gains Income Tax Rate" and "Ordinary Income Tax Rate" mean the highest marginal income tax rate in effect for a Fiscal Year with respect to long-term capital gains and ordinary income, respectively, for federal personal income tax purposes and applicable state and/or city personal income tax purposes, if any (after giving effect as applicable to the deductibility of 80% of state and city income taxes for federal income tax purposes).

(d) "Class A Member" shall mean each Person set forth on Schedule A1, as amended from time to time.

(e) "Class A Member's Interest" shall mean with respect to each Class A Member the percentage interest in such class as set forth opposite each such Member's name, as amended from time to time.

(f) "Class B Member" shall mean each Person set forth on Schedule A2, as amended from time to time.

(g) "Class B Member's Interest" shall mean with respect to each Class B Member the percentage interest in such class as set forth opposite each such Member's name, as amended from time to time.

(h) "Common Interests" are the membership interests of the Company consisting of the Class A Member's Interests and the Class B Member's Interests and any New Membership Interest Class which is designated as a Common Interest by the Managing Board.

(i) "Company Minimum Gain" shall have the meaning set forth in Treasury Regulation Section 1.704-2(b)(2).

(j) "Convertible Instruments" shall have the meaning set forth in Section 4.04.

(k) "Majority Vote" means the vote of the Class A Members owning a majority of all of the Class A Members' Interests.

(l) "Manager" means a member of the Managing Board.

(m) "Managing Board" means initially Eliot I. Bernstein and Simon L. Bernstein and any other individuals appointed to the Managing Board as such by the Class A Members.

(n) "Member" means a Class A Member or a Class B Member or any Person hereinafter admitted to the Company as a Member.

(o) "Net Profits" and "Net Losses" of the Company for a Fiscal Year shall mean respectively, the income or loss of the Company, determined in accordance with Section 703 of the Code, and on a basis consistent with prior periods subject to the following adjustments:

(i) any income of the Company that is exempt from federal income tax shall increase such income or decrease such loss;

(ii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as described therein pursuant to Treasury Regulations 1.704-1(b)(2)(iv)(i) shall reduce such income or increase such loss;

(iii) any item which is specially allocated pursuant to Section 7.03 shall not be taken into account in computing such income or loss;

(iv) for purposes of computing income or loss (whether realized by reason of a sale or distribution) and depreciation and amortization, the basis of any property shall be equal to the amount shown on the Company's books; and

(v) any deemed income or deemed loss for book purposes resulting from the distribution of appreciated or depreciated property shall be taken into account in computing such income or loss.

(p) "New Membership Interest Class" means any new class of membership interest in the Company created pursuant to Section 4.04 hereof.

(q) "Nonrecourse Deductions" shall have the meaning set forth in Treasury Regulations Section 1.704-2(b)(1).

(r) "Percentage Interest" means the Percentage Interest of each Member as set forth opposite such Member's name on Schedules A1 and A2, each as amended from time to time.

(s) "Person" means any individual, partnership, limited liability entity, corporation, trust, or other entity.

(t) "Tax Distribution" means, with respect to any Member, an amount equal to the sum of: (i) the excess aggregate amount of Net Profit allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of long-term capital gain over the aggregate amount of Net Loss allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of capital loss, multiplied by the Capital Gains Income Tax Rate in effect for such Fiscal Year and (ii) the excess of the aggregate amount of Net Profit allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of other income (other than tax exempt income) over the aggregate amount of Net Loss allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of other loss, multiplied by the Ordinary Income Tax Rate in effect for such Fiscal Year.

(u) "Unit" is the number of Units granted to a Member as set forth opposite such Member's name on Schedules A1 and A2, each as amended from time to time.

ARTICLE II

Capital

2.01 Capital. uvview.com, Inc., pursuant to certain transactions in connection with the Assignment, has been credited as of the date hereof with capital contributions with a value as set forth opposite its name on Schedule A1 attached hereto, as amended from time to time. Each other Member has made capital contributions, in cash, in such amount as are set forth opposite the name of each of the Members on Schedule A2 attached hereto, as amended from time to time. No Member shall be required to make any additional capital contributions after the date hereof.

2.02 Capital Accounts. Capital Accounts shall be established and maintained for each Member on the Company's books. Such accounts shall be credited with each Member's respective capital contributions to the Company, if any, and allocable share of the Company's Net Profit and shall be debited by distributions to such Member of cash or other property and such Member's allocable share of the Company's Net Loss, and otherwise maintained, as determined by the Managing Board, in accordance with the provisions of applicable Treasury Regulations. Before decreasing an Member's Capital Account (as described above) with respect to the distribution of any property to such Member, all Member's accounts shall be adjusted, as applicable, to reflect the manner in which the unrealized income gain, loss, and deduction inherent in such property (that have not been previously reflected in the Members' Capital Accounts) would be allocated among the Members if there were a taxable disposition of such property by the Company on the date of distribution, in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f).

2.03 Interest. No interest shall be paid or credited to the Members on their Capital Accounts or upon any undistributed profits left on deposit with the Company.

ARTICLE III

Members

3.01 Powers. The Members shall have the power to exercise only those rights or powers granted to the Members pursuant to the express terms of this Agreement or the Act. Except as otherwise specifically provided by this Agreement or required by the Act, no Member shall have any part in the management of the Company or any authority or right in their capacity as Members to act on behalf of the Company in connection with any matter.

3.02 Other Ventures. It is expressly agreed that the Members and any affiliates, officers, directors, managers, stockholders, partners, members or employees of such Member, may engage in other business ventures of every nature and description, whether or not in competition with the Company, independently or with others, and neither the Company nor the Members shall have any rights in and to any independent venture or activity or the income or profits derived therefrom; provided that, none of the foregoing parties shall engage as an active participant (other than through the provision of legal services which shall be deemed not to be active participation) in any business venture relating in any manner to apparatuses and methods for producing enhanced digital images or otherwise engage in any activity which would result in a breach by such party of any confidentiality agreement entered into between such Member or such other party and the Company or its affiliates.

3.03 Actions by the Members. All actions of the Members are taken only by the Class A Members in proportion to their Class A Member's Interests at the time of the action taken. The Class A Members may vote, approve a matter or take any action by the vote of Class A Members at a meeting, in person or by proxy, or without a meeting by written consent. An

action approved by a Majority Vote or, where otherwise specifically required in this Agreement, 2/3 of the Class A Member's Interests shall be the action of the Members. Except to the extent specifically provided herein or as otherwise required by the Act, the Class B Members shall not be entitled to any voting rights.

3.04 Meetings; Action by Written Consent. Meetings of the Class A Members, for any purpose or purposes whatsoever, may be called at any time by a Managing Board or by a Majority Vote. However, in no instance where action is authorized by written consent need a meeting of Class A Members be called or noticed. A copy of the action taken by written consent must be immediately sent to all Class A Members.

ARTICLE IV

Transfer of Interests; Redemption; Issuance of Additional Interests and Units

4.01 Personal Property; Transferee's Interest. The interest of each Member of this Company is personal property and may be transferred only in accordance with this Section 4.01. Without approval (which shall not be unreasonably withheld or delayed in the case of a Class B Member) by a Majority Vote, no Member may transfer, assign, pledge or otherwise dispose of all or part of his interest in the Company. In the event any Member wishes to dispose of his interest, he shall notify the Class A Members who shall be under no obligation to acquire the interest, cause the Company to acquire the interest, nor to permit the sale to a third party.

4.02 Substitution of Members. If the Class A Members of the Company other than the Member proposing to dispose of his interest agree to a proposed transfer of the interest of the Member, but do not agree to admit the transferee as a Member (which consent may be withheld for any reason or for no reason whatsoever), such transferee shall have no right to participate in the management of the business and affairs of the Company or to become a Member, and shall only be entitled to its distributive share of Net Profit or Net Loss (as determined under Article VII) and distributions (as determined under Article VIII), to which the transferor Member would otherwise be entitled. If the transfer is approved by a Majority Vote and the admission of the transferee as a Member is also approved by a Majority Vote, such transferee shall have all the rights and powers and be subject to all the restrictions and liabilities of his assignor, shall become a substituted Member and, to the extent provided in this Agreement, shall have the right to participate in the management of the business and affairs of the Company.

4.03 Right of First Refusal. If a Class B Member receives a bona fide written offer (an "Offer") for the purchase of its Class B Membership Interest [or a portion thereof] (the "Offered Interest"), and the Class A Members by a Majority Vote pursuant to Section 4.01 hereof agree to the proposed transfer of the Offered Interest pursuant to such Offer, then during the 30-day period following approval of the transfer by the Class A Members, the Company shall have the option, but not the obligation, to purchase all, but not less than all, of the Offered Interest at the same price and on the other terms set forth in the Offer. If the Company does not exercise

such option, the Class A Members shall, during the 15-day period following notice by the Company not to exercise such option, have the option, but not the obligation, to purchase all, but not less than all, of the Offered Interest at the same price and on the other terms set forth in the Offer. Such purchase, if any, shall be made by the Class A Members on a pro rata basis in proportion to their respective Class A Membership Interests. If any Class A Member elects not to purchase its proportionate share of such Offered Interest, the remaining Class A Members may elect to purchase the non-participating Class A Member's proportionate share on a pro rata basis in proportion to their Class A Membership Interests; provided that, for the purposes of this sentence, their respective Class A Membership Interests shall be determined by excluding the Class A Membership Interests of any non-participating Class A Members. If neither the Company nor the Class A Members elect to purchase the Offered Interest, the selling Class B Member may at any time during the 60-day period following receipt of notice by the Class A Members not to exercise such option, sell, pursuant to the Offer, the Offered Interest.

4.04 Issuance of Additional Interests and Units.

(a) The Managing Board may authorize the issuance of options, warrants or other instruments convertible into membership interests (collectively, "Convertible Instruments") or admit any Person to the Company as a Class A Member or a Class B Member or may create a new class of membership interests (a "New Membership Interest Class") and credit such newly admitted Member with a membership interest and a number of Units as the Managing Board, in its sole discretion, deems appropriate, and for consideration and on terms and conditions as it, in its sole discretion, deems appropriate; provided that, the Managing Board shall not, without prior approval by Majority Vote of the Class A Members, (i) admit any Person as a Class A Member or (ii) create any New Membership Interest Class or authorize any Convertible Instrument which adversely affects the voting rights or the priority of distributions distributed to, or Net Profits or Net Losses allocated to, any Class A Member. Subject to the provisions of this Section 4.04 and Section 13.02 hereof, the Managing Board shall have the authority, without approval of any other Members, to amend the terms of this Agreement in order to provide for such New Membership Interest Class or Convertible Instruments.

(b) Solely for the purpose of adjusting the Members' Capital Accounts, if any new Members are admitted to the Company in accordance with this Section 4.04, the book value of the Company's assets shall be adjusted to reflect the fair value, as determined by the Managing Board, based upon the capital contributions of such new Members, in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f), and the difference between fair value and book value, if any, shall be treated as gain or loss, allocable as Net Profits or Net Losses in accordance with the provisions of Sections 7.01 and 7.02.

(c) If the Company issues membership interests in accordance with this Section 4.04, the membership interests and the Percentage Interests of the Members shall

be adjusted accordingly. The Managing Board shall update the Schedule(s) attached hereto to reflect such actions.

4.05 Limitations on Redemption of Capital Account. The right of any Member or the legal representatives of such Member to have distributed to such Member an amount equal to such Member's Capital Account is subject to Section 18-607 of the Act and to the provision for reserves for contingencies established in good faith by the Managing Board.

ARTICLE V

Managing Board

5.01 Appointment; Meetings; Voting; Time Commitment; Agency.

(a) The Company shall be managed by a Managing Board, initially consisting of two (2) Managers. The number of Managers serving on the Managing Board may be increased from time to time by the Class A Members by a Majority Vote. Regular meetings of the Managers shall be held not less than quarterly on such date and time as the Managers may hereinafter designate from time to time. A special meeting of the Managers may be called at any time upon the written request of a majority of the Managers. Notice of any meeting shall state the date, place, time and who is calling the meeting and state the purpose(s) of the meeting, and shall be given to all Managers not less than three (3) business days before the date of the meeting. Notice of special meetings to discuss matters requiring more prompt action may be sent to each Manager by hand delivery, or facsimile or similar means, no less than twenty-four (24) hours before the time at which such meeting is to be held. Notwithstanding the foregoing, each Manager who is entitled to notice waives notice if before or after the meeting the Manager submits a signed waiver of notice in person or by proxy, or is present at the meeting in person or by proxy without objecting to the lack of notice prior to conclusion of the meeting. At all meetings of the Managers, a majority of the total number of Managers that would exist if there were no vacancies present in person or by proxy shall constitute a quorum for the transaction of business or of any specified item of business. The vote of a majority of the Managers present at the time of the vote, if a quorum is present at such time, shall be the act of the Managing Board. If a quorum shall not be present at any meeting of the Managers, the Managers present thereat may adjourn the meeting from time to time, until a quorum shall be present. Notice of any such adjournment shall be given to any Managers who were not present and, unless announced at the meeting, to the other Managers. In lieu of holding a meeting, the Managers may vote or otherwise take action by a consent or consents in writing setting forth the action taken, signed by all of the Managers entitled to vote and filed with the records of the Company. Any one or more Managers may participate in a meeting called pursuant to this Section 5.01(a) by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other. Participation by such means shall constitute presence in person at a meeting.

(b) Each Manager shall be appointed by the Class A Members and shall hold office until his successor has been appointed or he is removed by the Class A Members. Managers may, but need not be, Members of the Company.

(c) The Managers shall be obliged to devote only as much of their time to the Company's business as shall be reasonably required in light of the Company's business and objectives. A Manager shall perform his duties as a Manager in good faith, in a manner he reasonably believes to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

(d) Every Manager is an agent of the Company for the purpose of its business, and the act of every Manager, including the execution in the Company name of any instrument for apparently carrying on in the usual way the business of the Company, binds the Company, unless such act is in contravention of the Certificate of Formation or this Agreement or unless the Manager so acting otherwise lacks the authority to act for the Company and the person with whom he is dealing has knowledge of the fact that he has no such authority.

5.02 Removal of Managers.

(a) The Class A Members may remove all or any lesser number of Managers with or without cause at any time.

(b) Any removal or addition of a Manager shall become effective immediately, unless specified otherwise by the Class A Members voting in favor thereof and in a notice delivered to any remaining Managers or the Manager elected to replace the removed Manager (except that it cannot be effective on a date earlier than the date such notice is delivered to the remaining or newly-elected Manager). Should a Manager be removed who is also a Class A Member or a Class B Member, such Member will continue to participate in the Company as a Member and receive his share of the Company's income, gains, losses, deductions, credits and distributions pursuant to this Agreement.

5.03 Resignation of Manager. A Manager may resign from his position on the Managing Board at any time by notice to the Class A Members. Such resignation shall be effective as set forth in such notice.

5.04 Powers of the Managing Board.

(a) The Managing Board shall have the right and authority to take all actions which the Managing Board deems necessary, useful or appropriate for the day-to-day management and conduct of the Company's business.

(b) Except to the extent expressly reserved herein to the Class A Members, the Managing Board may exercise all powers of the Company and do all such lawful acts and things as are not by law or this Agreement directed or required to be exercised or done by the Members. All instruments, contracts, agreements and documents providing for the acquisition, mortgage or disposition of property of the Company shall be valid and binding on the Company if executed by one or more Managers or by officers acting within the scope of authority delegated to such officers. All instruments, contracts, agreements and documents of whatsoever type executed on behalf of the Company shall be executed in the name of the Company by one or more Managers or by officers acting within the scope of authority delegated to such officers.

(c) Without prejudice to such general powers, but subject to the same limitations and the limitations set forth in subsection 5.04(d) below, it is hereby expressly declared that the Managing Board shall have the following powers:

First - To select, add and remove all agents and employees of the Company, prescribe such powers and duties for them as may be consistent with law and this Agreement, fix their compensation, and require from them security for faithful service.

Second - To conduct, manage and control the affairs and business of the Company, and to make such rules and regulations therefor consistent with the law and this Agreement.

Third - To change the registered office of the Company in Delaware from one location to another; to fix and locate from time to time one or more other offices of the Company; and to designate any place within or without the State of Delaware for the holding of any Members' meeting or Managing Board meetings.

Fourth - To borrow money and incur indebtedness for the purpose of the Company from Members and others, and to cause to be executed and delivered therefor, in the Company name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidence of debt and securities.

Fifth - To take any action pursuant to Section 4.04 hereof.

Sixth - Establish a record date with respect to all actions to be taken hereunder that require a record date be established, including with respect to allocations and distributions.

Seventh - Bring and defend on behalf of the Company actions and proceedings at law or in equity before any court or governmental, administrative or other regulatory agency, body or commission or otherwise.

Eighth - Execute all agreements, documents or instruments, perform all duties and powers and do all things for and on behalf of the Company in all matters necessary, desirable, convenient or incidental to the purpose of the Company.

The expression of any power or authority of the Managing Board in this Agreement shall not in any way limit or exclude any other power or authority which is not specifically or expressly set forth in this Agreement.

(d) Notwithstanding anything else herein, the following acts shall require a Majority Vote of the Class A Members: (i) any consolidation, reorganization or merger of the Company with another Person (other than a consolidation, reorganization or merger in which the Company is both the surviving entity and the Persons who were Members of the Company immediately before such consolidation, reorganization or merger continue to beneficially own at least a majority of the equity interests of the Company immediately thereafter), or any sale or other disposition by the Company of all or substantially all of its assets to any Person, including without limitation, any action pursuant to Article XII hereof; and (ii) any amendment of this Agreement pursuant to Section 13.02 hereof.

5.05 Bank Accounts. From time to time, the Managing Board may designate a person or persons, whether such persons be Members or not, to open and maintain one or more bank accounts; rent safety deposit boxes or vaults; sign checks, written directions, or other instruments to withdraw all or any part of the funds belonging to the Company and on deposit in any savings account or checking account; negotiate and purchase certificates of deposit, obtain access to the Company safety deposit box or boxes, and generally sign such forms on behalf of the Company as may be required to conduct the banking activities of the Company.

ARTICLE VI

Officers

6.01 Number; Titles; Election; Term. The Company may have one or more officers as the Managing Board shall determine from time to time. Any such officer shall have such powers and duties as may be delegated to such officer by the Managing Board. The initial officers of the Company shall be Eliot I. Bernstein as Chairman, President, Vice President, Treasurer and Secretary. Officers shall serve at the pleasure of the Managing Board and any officer may be removed at any time by the Managing Board. Any vacancy occurring in any office of the Company may be filled by act of the Managing Board.

6.02 Authority. Officers shall have such authority and perform such duties in the management of the Company that a person holding that office in a corporation customarily has or as may be determined by resolution of the Managing Board not inconsistent with the Treasury Regulations.

ARTICLE VII

Profits and Losses

7.01 Allocation of Net Profit. After giving effect to any allocation pursuant to Sections 7.03 and 7.04, Net Profit shall be allocated as follows and in the following order of priority:

(a) first, if there is a negative balance in a Capital Account of any Member, to the Capital Accounts of the Members which have negative balances, in proportion to the respective amounts of such negative balances;

(b) the balance, if any, shall be allocated to the Capital Accounts of the Members in proportion to their Percentage Interests.

7.02 Net Losses. After giving effect to any allocations pursuant to Sections 7.03 and 7.04, Net Losses shall be allocated as follows and in the following order of priority:

(a) to the Members, pro rata, an amount equal to the excess, if any, of (i) the cumulative Net Profits allocated to the Members pursuant to Section 7.01(b) hereof, over (ii) the cumulative Net Losses allocated to the Members pursuant to this Section 7.02(a) for the current and all prior Fiscal Years;

(b) to the Members, pro rata, in proportion to their positive Capital Accounts, until such Capital Accounts have been reduced to zero; and

(c) the balance, if any, shall be allocated among the Members in proportion and to the extent that each shall bear the economic risk of loss (within the meaning of Treasury Regulations Section 1.752-2) with respect to such Net Loss.

7.03 The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Notwithstanding any other provision of this Article VII, if there is a net decrease in Company Minimum Gain during any Fiscal Year, the Members shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to the greater of (i) the portion of such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(d)(1), that is allocable to the disposition of Company property subject to Nonrecourse Liabilities or (ii) if such Member would otherwise have an Adjusted Capital Account Deficit at the end of such Fiscal Year, an amount sufficient to eliminate such Adjusted Capital Account Deficit. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to the Members

pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulations Section 1.704-2. This Section 7.03(a) is intended to comply with the minimum gain chargeback requirement in such section of the Treasury Regulations and shall be interpreted consistently therewith. To the extent permitted by such section of the Treasury Regulations and for purposes of this Section 7.03(a) only, each Member's Adjusted Capital Account Deficit shall be determined prior to any other allocations pursuant to this Article VII with respect to such Fiscal Year.

(b) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Treasury Regulations, items of Company income and gain shall be specifically allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 7.03(b) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article VII have been tentatively made as if this Section 7.03(b) were not in the Agreement.

(c) Allocations Under Section 704(c) of the Code. All items of income, gain, loss, deduction, or allowance attributable to, or requiring an adjustment to the basis of, any non-cash property contributed to the capital of the Company shall be allocated among the Members in accordance with Section 704(c) of the Code so as to take account of any difference between the adjusted basis of the property to the Company for federal income tax purposes and the fair market value of the property on the date of contribution or deemed contribution.

(d) Nonrecourse Deductions. To the extent permitted by the Treasury Regulations, any Nonrecourse Deductions for any Fiscal Year or other period shall be allocated to the Members in proportion to their respective Percentage Interests.

(e) Section 754 Adjustments. Pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to the extent an adjustment to the adjusted tax basis of any Member asset under Code Sections 734(b) or 743(b) is required to be taken into account in determining Capital Accounts shall be treated as an item of gain (if the adjustment decreases such basis) or an item of loss (if the adjustment increases such basis) and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such section of the Treasury Regulations.

7.04 Curative Allocations. The allocation set forth in Section 7.03(b) (the "Regulatory Allocations") is intended to comply with certain requirements of Treasury Regulations Section 1.704. Notwithstanding any other provisions of this Section, the Regulatory Allocations shall be taken into account in allocating other profits, losses and items of income,

gain, loss and deduction among the Members so that, to the extent possible, the net amount of such allocations of other profits, losses and other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

7.05 Allocation of Income and Loss in Respect of Transferred Interests.

(a) If any interest in the Company is transferred, or upon the admission or withdrawal of an Member, in accordance with the provisions of this Agreement during any calendar year, the income or loss attributable to such interest for such calendar year shall be divided and allocated between the Members based upon an interim closing of the Company's books or on a daily basis, as determined in the sole discretion of the Class A Members. For the purpose of accounting convenience and simplicity, the Company shall treat a transfer of, or any increase or decrease in, an interest in the Company which occurs at any time during a semimonthly period (commencing with the semi-monthly period including the date hereof) as having been consummated on the first day of such semi-monthly period, regardless of when during such semi-monthly period such transfer, increase, or decrease actually occurs (e.g., sales and dispositions made during the first 15 days of any month will be deemed to have been made on the first day of the month and sales and dispositions thereafter will be deemed to have been made on the 16th day of the month).

(b) Notwithstanding any provision above to the contrary, gain or loss of the Company realized in connection with a sale or other disposition of any of the assets of the Company shall be allocated solely to the Members owning interests in the Company as of the date such sale or other disposition occurs.

ARTICLE VIII

Withdrawals, Distributions and Expenses

8.01 Withdrawals and Distributions in General. No Member shall be entitled (i) to receive distributions from the Company; or (ii) to withdraw any amount from such Member's Capital Account other than as provided in this Agreement.

8.02 Distributions.

(a) Except as set forth in Section 8.02(b) hereof, the Managing Board, in its sole and absolute discretion, may (but shall have no obligation to) make distributions to the Members. Subject to the provisions of Section 4.05 hereof, distributions, if any, made to the Members pursuant to this Section 8.02 shall be made to each of the Members in proportion to their respective Percentage Interests.

(b) Within 90 days following the end of the Fiscal Year, a Tax Distribution shall be made to each Member in respect to his or her Percentage Interests.

(c) Any distribution pursuant to Article VIII may be paid in cash or, except with respect to any Tax Distribution which shall be paid in cash, in kind by the Managing Board in its sole discretion.

(d) The Managing Board may cause the Company to withhold taxes from any allocation or distribution to any Member to the extent required by the Code or any other applicable law. For purposes of this Agreement, any taxes so withheld by the Company shall be deemed to be a distribution or payment to such Member, but shall not reduce the amount otherwise distributable or allocable to such Member pursuant to this Agreement, although it may reduce the Capital Account of such Members.

8.03 Distribution on Dissolution and Liquidation. In the event of the dissolution and liquidation of the Company for any reason, after the payment of or provision for creditors and other applicable law, the Company's assets shall be distributed among the Members in accordance with Section 8.02 hereof.

8.04 Deemed Sale of Assets. For all purposes of this Agreement, any property (other than cash) that is distributed or to be distributed in kind to one or more Members for a Fiscal Year (including, without limitation, all non-cash assets which shall be deemed distributed immediately prior to the dissolution and winding up of the Company so as to permit the unrealized gain or loss inherent in such assets to be allocated to the Members), shall be deemed to have been sold for cash equal to its fair market value, and the unrealized gain or loss inherent in such assets shall be treated as recognized gain or loss for purposes of determining the Net Profits and Net Loss of the Company to be allocated pursuant to Article VII hereof for such Fiscal Year.

8.05 Expenses. Except as otherwise provided in this Agreement, the Company will be responsible for all expenses, and the allocation thereof between and among each class of Common Interests and Units, including, without limitations:

(a) all expenses incurred by the Class A Members or their affiliates in organizing the Company;

(b) all expenses related to the business of the Company and all routine administrative expenses of the Company, including the maintenance of books and records of the Company, the preparation and dispatch to the Members of checks, financial reports, tax returns and notices required pursuant to this Agreement or in connection with the holding of any meetings of the Class A Members or the Managing Board;

(c) all expenses incurred in connection with any indebtedness or guarantees of the Company or any proposed or definitive credit facility or other credit arrangement;

(d) all expenses incurred in connection with any litigation or arbitration involving the Company (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith;

(e) all expenses for indemnity or contribution payable by the Company to any Person;

(f) all expenses incurred in connection with the collection of amounts due to the Company from any Person;

(g) all expenses incurred in connection with the preparation of amendments to this Agreement;

(h) all expenses incurred in connection with the liquidation, dissolution and winding up of the Company; and

(i) all expenses incurred directly or indirectly by Eliot I. Bernstein, Simon L. Bernstein and any other authorized party in connection with the development, registration and enforcement of all patents registered by Eliot I. Bernstein in connection the business and formation of this Company including, but not limited to, reasonable attorney's fees; and

(j) all expenses otherwise allocated in good faith to the Company by the Class A Members or the Managing Board.

ARTICLE IX

Accounting and Records

9.01 Records and Accounting. The books and records of the Company shall reflect all Company transactions and shall be appropriate and adequate for the Company's business. The Fiscal Year of the Company for financial reporting and for federal income tax purposes shall be the calendar year.

9.02 Access to Accounting Records. All books and records of the Company shall be maintained at any office of the Company or at the Company's principal place of business, and each Member, and his duly authorized representative, shall have access to them at such office of the Company and the right to inspect and copy them at reasonable times.

9.03 Tax Elections. The Managing Board shall make any federal, state and local tax elections on behalf of the Company as the Managing Board shall agree upon from time to time.

9.04 Annual Tax Information. The Managing Board shall cause the Company to deliver to each Member, within 90 days following the close of the Company's fiscal year, all information necessary for the preparation of such Member's federal income tax return.

9.05 Tax Matters Partner. There shall be one Tax Matters Partner designated as such who shall communicate and negotiate with the Internal Revenue Service on any tax matter on behalf of all Members and on behalf of the Company. The original designated Tax Matters Partner shall be [S Corp. Entity], who shall continue in that role until the Class A Members or the Managing Board shall designate another Class A Member for that role.

ARTICLE X

Term, Dissolution of the Company and Termination of a Member's Interest

The term of this Company began on the date the Certificate of Formation was filed with the Delaware Secretary of State and shall continue until December 31, 2049, unless dissolved or liquidated by a Majority Vote. This Company shall not be dissolved on the death, retirement, resignation, expulsion, bankruptcy or dissolution of any Member or occurrence of any other event which terminates a Member's continued membership in the Company.

ARTICLE XI

Indemnification

11.01 Indemnity. Subject to the provisions of Section 11.03 hereof, to the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the Company, by reason of the fact that such person is or was a Class A Member, a Manager, officer, director, controlling person, employee, legal representative, advisory committee member or agent of the Company, or is or was serving at the request of the Company as a Manager, director, officer, partner, controlling person, employee, legal representative, advisory committee member or agent of another limited liability company, partnership, corporation, joint venture, trust or other enterprise (a "Covered Person"), against any loss, liability, damage, claim or expenses, including attorneys' fees, judgment, fines and amounts paid in settlement ("Expenses"), actually and reasonably incurred by such Covered Person in connection with the action, suit or proceeding if such Covered Person acted in good faith and in a

manner which such Covered Person reasonably believed to be in or not opposed to the best interests of the Company, such act was not prohibited by Section 3.02 hereof and, with respect to a criminal action or proceeding, had no reasonable cause to believe such Covered Person's conduct was unlawful.

11.02 Indemnify for Actions By or In the Right of the Company. Subject to the provisions of Section 11.03 hereof, to the fullest extent permitted by applicable law, the Company shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the rights of this Company to procure a judgment in its favor by reason of the fact that he is or was a Covered Person, against any Expenses, actually and reasonably incurred by such Covered Person in connection with the action, suit or proceeding if such Covered Person acted in good faith and in a manner which such Covered Person reasonably believed to be in or not opposed to the best interests of this Company, and, with respect to a criminal action or proceeding, had no reasonable cause to believe such Covered Person's conduct was unlawful. Indemnification may not be made for any claim, issue or matter as to which such Covered Person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to this Company or for amounts paid in settlement to this Company, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the Covered Person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

11.03 Expenses. Any indemnification under Sections 11.01 and 11.02, as well as the advance payment of Expenses permitted under Section 11.04, unless ordered by a court, must be made by this Company only as authorized in the specific case upon a determination that indemnification of the Covered Person is proper in the circumstances. The determination must be made:

(a) By a Majority Vote of the Class A Members or by the Managing Board, provided that, for purposes of this Section 11.03 a Majority Vote shall only include Class A Members who were not parties to the act, suit or proceeding and, if applicable, an action of the Managing Board shall only include Managers who were not parties to the act, suit or proceeding;

(b) If a Majority Vote of the Class A Members or the Managing Board so orders, by independent legal counsel in a written opinion; or

(c) If such a Majority Vote of the Class A Members or action by the Managing Board cannot be obtained, by independent legal counsel in a written opinion.

Any obligation under this Article XI shall be provided out of and to the extent of Company assets only, and no Member or other Covered Person shall have any personal liability for any indemnification obligation.

11.04 Advance Payment of Expenses. The Expenses of a Covered Person incurred in defending a civil or criminal action, suit or proceeding may be paid by this Company as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the Covered Person to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by this Company. The provisions of this subsection do not affect any rights to advancement of Expenses to which personnel other than a Covered Person may be entitled under any contract or otherwise by law.

11.05 Other Arrangements Not Excluded. The indemnification and advancement of Expenses authorized in or ordered by a court pursuant to this Article XI:

(a) Does not exclude any other rights to which a Covered Person seeking indemnification or advancement of expenses may be entitled under the Certificate of Formation or any agreement, a Majority Vote or otherwise, for either an action in his official capacity or an action in another capacity while holding his office. Notwithstanding anything to the contrary herein, unless ordered by a court pursuant to Section 11.02 above, no indemnification shall be made to or on behalf of any Covered Person if a final adjudication established that his acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action.

(b) Continues for a person who has ceased to be a Covered Person and inures to the benefit of the heirs, executors and administrators of such a Covered Person.

11.06 Insurance. The Company may purchase and maintain insurance, to the extent, in such amounts and on behalf of such Persons as the Managing Board shall deem reasonable; this insurance may cover any liability that may be asserted against (or expenses that may be incurred by) any such Persons in connection with the activities of the Company, regardless of whether the Company would have the power to indemnify such Persons under the provisions of this Agreement. The Company may enter into indemnity contracts with Covered Persons and adopt written procedures pursuant to which arrangements are made for the funding of obligations arising under Article XI and containing such other procedures regarding indemnification (such as a requirement that an indemnified person use counsel selected by the Company) as are appropriate.

ARTICLE XII

Restructuring

Notwithstanding anything to the contrary contained in this Agreement and without limiting the generality of the voting rights of the Class A Members, the Class A Members shall have the right, in their sole discretion and without the approval of any other

Members, to restructure the Company as, or transfer all or substantially all of the assets of the Company to, a corporation (a "New Corporation"), in the manner determined by the Class A Members in their sole discretion, in a transaction in which (I) each outstanding Common Interest and New Membership Interest Class, if any, of the same class is treated in the same manner, and (II) if the Common Interests and New Membership Interest Classes, if any, are converted into equity securities of the New Corporation, the relative fair market values of the equity securities into which Common Interests and New Membership Interest Classes, if any, are converted are in proportion to the amounts each of the Members would have been entitled to receive upon a liquidation of the Company pursuant to Section 8.03, and (III) if all or substantially all of the assets of the Company are transferred to a New Corporation, the Company may retain all of the equity interests in the New Corporation until such time, if any, as the Class A Members, in their sole discretion and without the approval of any other Members, elect to dissolve the Company, in which case the Members will receive the equity interests in the New Corporation in proportion to the amounts each of the Members would have been entitled to receive upon a liquidation of the Company pursuant to Section 8.03. In connection with any transaction described in this Article XII, the business of the Company may be continued by the New Corporation and if the Company has been restructured as a New Corporation and the Common Interests and New Membership Interest Classes, if any, are converted into equity securities of the New Corporation, the Common Interests and New Membership Interest Classes shall be converted into equity of the New Corporation in the manner determined by the Class A Members in their sole discretion and without the approval of any other Members.

ARTICLE XIII

Miscellaneous Provisions

13.01 Complete Agreement. This Agreement and the Certificate of Formation constitute the complete and exclusive statement of the Agreement among the Members with respect to the subject matter contained therein. This Agreement and the Certificate of Formation replace and supersede all prior agreements by and among the Members with respect to the subject matter contained herein.

13.02 Amendments. This Agreement may be amended by a Majority Vote at a meeting or by written consent of such Class A Members and, with respect to matters contemplated by Section 4.04 hereof, the Managing Board. Notwithstanding the foregoing, any amendment which shall materially and adversely affect the rights or obligations of the Class B Members or any other class of membership interest hereinafter authorized and issued by the Company shall require the separate approval of the holders of at least a majority of the interests held by such class; provided, that in no event shall such separate class approval be required where the rights or obligations of the Class A Members are similarly affected by such amendment nor shall the dilution of the Percentage Interest or Units represented by a particular class be considered to cause a material and adverse affect.

13.03 Special Buy-Back Provision. If any Member or any affiliates, officers, directors, managers, stockholders, members or employees of such Member engages in any activity prohibited by Section 3.02 hereof which results in an adjudicated material breach of any applicable confidentiality agreement, the Company may, but shall not be obligated to, purchase such Member's Class A or Class B Membership Interest, as applicable, for an amount equal to the lesser of the value of such Member's positive Capital Account, if any, or such Member's initial Capital Contribution.

13.04 Applicable Law. The Certificate of Formation and this Agreement, and its application, shall be governed exclusively by its terms and the laws of the State of Delaware.

13.05 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provisions contained herein.

13.06 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be deemed invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

13.07 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements contained in this Agreement shall be binding upon and inure to the benefit of the existing Members, all new and substituted Members, and their respective designees (whether permitted by this Agreement or not), heirs, legal representatives, successors and assigns.

13.08 Power of Attorney. Each Member hereby appoints the Managing Board, or any of its members acting individually, as the true and lawful representative of such Member and attorney-in-fact, in such Member's name, place and stead:

(a) to receive and pay over to the Company on behalf of such Member, to the extent set forth in this Agreement, all funds received hereunder,

(b) to make, execute, sign, acknowledge, swear to and file: (i) a Certificate of Formation of the Company and all amendments thereto as may be required under the Act including, without limitation, any such filing for the purpose of admitting the undersigned and others as Members and describing their initial or any increased Capital Contributions and/or Capital Accounts; (ii) any and all instruments, certificates, and other documents which may be deemed necessary or desirable to effect the winding-up and termination of the Company (including, but not limited to, a Certificate of Cancellation of the Certificate of Formation); (iii) any business certificate, fictitious name certificate, amendment thereto, or other instrument, agreement or document of any kind necessary or desirable to accomplish the business, purpose and objectives of the Company, or required by any applicable federal, state or

local law; and (iv) all other filings with agencies of the federal government, of any state or local government, or of any other jurisdiction, which the Managing Board considers necessary or desirable to carry out the purposes of this Agreement.

The power of attorney hereby granted by each of the Members is coupled with an interest, is irrevocable, shall survive the transfer of the Member's interest in the Company and shall survive, and shall not be affected by, the subsequent death, disability, incapacity, incompetency, termination, bankruptcy, insolvency or dissolution of such Member. Copies of all documents executed by the Managing Board or any Manager pursuant to this Section 13.08 shall be distributed to the Members as soon as is practicable following such execution.

Such representative and attorney-in-fact shall not have any right, power or authority when acting in such capacity, (i) to amend or modify this Agreement, (ii) to take any action which would increase the liability of any Member hereunder or (iii) which would materially and adversely affect the rights of any Member hereunder.

13.09 Notices. Each notice relating to this Agreement shall be in writing and delivered in person, by facsimile or by registered or certified mail, return receipt requested. The receipt of any notice transmitted by facsimile must be confirmed by any means acceptable in the preceding sentence to be effective, provided, however, that such a confirmation does not, in turn, have to be confirmed. All notices to the Company shall be addressed to its principal office and place of business. All notices addressed to a Member shall be addressed to such Member at the address set forth in Schedule B. Any Member may designate a new address by notice to that effect given to the Company. Unless otherwise specifically provided in this Agreement, a notice shall be deemed to have been effectively given when faxed or three (3) business days after being mailed by registered or certified mail to the proper address or when delivered in person.

IN WITNESS HEREOF, this Limited Liability Company Agreement is entered into as of July 7, 1999.

Class A Members

uview.com, Inc.

(100% Class A Member)

By: Eliot I. Bernstein
Title: President

IN WITNESS HEREOF, this Limited Liability Company Agreement is entered into as of July 7, 1999.

Class B Members

Proskauer Rose LLP

(25% Class B Member)

By:
Title:

New Media Holding Inc.

(25% Class B Member)

By:
Title:

By: Jude Rosario

(25% Class B Member)

By: Zakirul Shirajee

(25% Class B Member)

SCHEDULE A1

Class A Member's Name	Capital Contribution Value	Class A Member's Interest	Units	Percentage Interest
uview.com, Inc.	\$25,206.50	100.00%	504,130	91.00%
TOTAL	\$25,206.50	100.00%	504,130	91.00%

SCHEDULE A2

Class B Member's Name	Capital Contribution	Class B Member's Interest	Units	Percentage Interest
Proskauer Rose LLP	\$625.00	25.00%	12,500	2.25%
New Media Holding, Inc.	\$625.00	25.00%	12,500	2.25%
Jude Rosario	\$625.00	25.00%	12,500	2.25%
Zakirul Shirajee	\$625.00	25.00%	12,500	2.25%
TOTAL	\$2,500.00	100.00%	50,000	9.00%

SCHEDULE B

Class A Members

uview.com, Inc.
500 SE Mizner Blvd., Suite 102
Boca Raton, Florida 33432

Class B Members

Proskauer Rose LLP
2255 Glades Road, Suite 340-W
Boca Raton, FL 33431-7360

New Media Holdings, Inc.
c/o Armstrong, Hirsch, Jackoway, Tyerman & Wertheimer
1888 Century Park East, 18th Floor
Los Angeles, CA 90067

Jude R. Rosario
5580 N.W. 61st Street, Apt. 625
Coconut Creek, FL 33065

Zakirul Shirajee
9485 Boca Cove Circle, #708
Boca Raton, FL 33428

PROSKAUER ROSE LLP

2255 Glades Road
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800.432.7746
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Date July 6, 1999 Client-Matter 40017.001

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ALAN J. EPSTEIN

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uview.com, Inc.
a Delaware S Corporation
Original Issuance of Common Stock

<u>Stockholder</u>	<u>No. of Shares</u>	<u>Consideration</u>
*Simon L. Bernstein	103,500	\$5,175
*Eliot I. Bernstein	193,200	**patent/\$9,660
The Joshua Bernstein 1999 Trust	24,150	**patent/\$1,207.50
The Jacob Bernstein 1999 Trust	24,150	**patent/\$1,207.50
Gerald R. Lewin and Barbara S. Lewin	20,000	\$1,000
Erika R. Lewin	2,500	\$125
Jennifer P. Lewin	2,500	\$125
James Osterling	12,500	\$625
James Armstrong	12,500	\$625
Guy Iantoni	12,500	\$625
Jill Iantoni	12,500	\$625
Andy Dietz	12,500	\$625
Donna Dietz	12,500	\$625
Patricia Daniels	12,500	\$625
Bettie Stanger	5,000	**patent/\$250
Lisa Friedstein	25,000	\$1,250
Donald G. Kane, II	<u>16,630</u>	<u>\$831.50</u>
	504,130	\$25,206.50

* Class A Stockholders (the rest are Class B Stockholders)

** No cash consideration due. The consideration will be the contribution by Eliot of the rights under various patent pending applications.

iviewit LLCOriginal Issuance of Membership Units

<u>Member</u>	<u>No. of Units</u>	<u>Consideration</u>
*uview.com, Inc.	504,130	patent/\$25,206.50**
Proskauer Rose LLP	12,500	\$625
Jude Rosario	12,500	\$625
Zakirul Shirajee	12,500	\$625
New Media Holdings, Inc.	<u>12,500</u> 2.48%	<u>\$625</u>
	554,130	\$ 27,706.50

*Class A Member (the rest are Class B Members)

** No cash consideration due. The consideration shall consist of the contribution by Eliot Bernstein of the rights under various patent pending applications.

$$12,500 / 554,130 = 2.26\%$$

iviewit.com LLC
Issuance of Promissory Notes

<u>Noteholder</u>	<u>Amount of Note</u>
Simon L. Bernstein	\$15,000
Gerald R. Lewin	\$15,000
Barbara Lewin	\$15,000
Guy Iantoni	\$15,000
Jill Iantoni	\$15,000
James F. Armstrong	\$15,000
Andrew Dietz	\$15,000
Donna Dietz	\$15,000
James A Osterling	\$15,000
Lisa Friedstein	\$15,000
Donald G. Kane, II	\$22,500

*All are accredited investors per Jerry Lewin

PROSKAUER ROSE LLP

1585 Broadway
New York, NY 10036-8299
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LOS ANGELES
WASHINGTON DC
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CLIFTON NJ
PARIS

Spencer J. Romoff
Attorney at Law

Direct Dial 212.969.3219
sromoff@proskauer.com

July 6, 1999

Alan Epstein, Esq.
Armstrong, Hirsch, Jackoway
Tyerman & Wertheimer
1888 Century Park East - 18th Floor
Los Angeles, CA 90067


RECEIVED
JUL - 7 1999
ALAN J. EPSTEIN

Dear Alan:

Enclosed is an execution copy of the Limited Liability Company Agreement of iviewit LLC, plus two additional signature pages. Please return the additional signature pages to Mara Lerner Robbins in our Boca office for our records (2255 Glades Road, Suite 340-W, Boca Raton, FL 33431-7360). Mara is having signature pages executed by the other members and will send them to you once they have been signed.

Please call me if you have any questions or comments.

Sincerely,


Spencer J. Romoff

SJR/fms

Enclosures

LIMITED LIABILITY COMPANY AGREEMENT
OF
iviewit LLC
a Delaware Limited Liability Company
(the "Company")

The parties to this Limited Liability Company Agreement of the Company are each of the Members (as hereinafter defined) listed on Schedules A1 and A2, who collectively constitute all of the Members of the Company as of July 7, 1999.

RECITALS

WHEREAS, on or about January, 1999, the Members agreed to become business associates and to form a business for the purposes set forth in Section 1.03 hereof and, at that time, established the value of the property to be contributed to the Company; and

WHEREAS, the Class A Members (as hereinafter defined) have since formed a limited liability company pursuant to the Delaware Limited Liability Company Act (the "Act") pursuant to a filing of a Certificate of Formation with the Secretary of State of the State of Delaware on June 11, 1999.

NOW, THEREFORE, Each of the Members wishes to enter into the Limited Liability Agreement of the Company to properly reflect their respective interests in the Company and, accordingly, the parties have agreed as follows:

ARTICLE I

General Provisions

1.01 Registered Office. The registered office of the Company in Delaware shall be The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

1.02 Other Offices. The Company has an office at 500 SE Mizner Blvd., Suite 102, Boca Raton, Florida 33432 and may have other offices that may at any time be established by the Managing Board at any place or places.

1.03 Purpose; Nature of Business Permitted; Powers. The Company is organized primarily for the object and purpose of engaging in any lawful act or activity for which limited liability companies may be formed under the Act. The Company shall possess and may exercise all the powers and privileges granted by the Act or by any other law or by this Agreement, together with any powers incidental thereto, insofar as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business purposes or activities of the Company.

1.04 Fiscal Year. The fiscal year of the Company ("Fiscal Year") shall end on December 31 of each year.

1.05 Definitions.

(a) "Adjusted Capital Account Deficit" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which such Member is obligated to restore or is deemed to be obligated to restore pursuant to Treasury Regulations Sections 1.704-2(g) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(b) "Assignment" shall mean the Assignment, to be executed by Eliot I. Bernstein to and for the benefit of the Company.

(c) "Capital Gains Income Tax Rate" and "Ordinary Income Tax Rate" mean the highest marginal income tax rate in effect for a Fiscal Year with respect to long-term capital gains and ordinary income, respectively, for federal personal income tax purposes and applicable state and/or city personal income tax purposes, if any (after giving effect as applicable to the deductibility of 80% of state and city income taxes for federal income tax purposes).

(d) "Class A Member" shall mean each Person set forth on Schedule A1, as amended from time to time.

(e) "Class A Member's Interest" shall mean with respect to each Class A Member the percentage interest in such class as set forth opposite each such Member's name, as amended from time to time.

(f) "Class B Member" shall mean each Person set forth on Schedule A2, as amended from time to time.

(g) "Class B Member's Interest" shall mean with respect to each Class B Member the percentage interest in such class as set forth opposite each such Member's name, as amended from time to time.

(h) "Common Interests" are the membership interests of the Company consisting of the Class A Member's Interests and the Class B Member's Interests and any New Membership Interest Class which is designated as a Common Interest by the Managing Board.

(i) "Company Minimum Gain" shall have the meaning set forth in Treasury Regulation Section 1.704-2(b)(2).

(j) "Convertible Instruments" shall have the meaning set forth in Section 4.04.

(k) "Majority Vote" means the vote of the Class A Members owning a majority of all of the Class A Members' Interests.

(l) "Manager" means a member of the Managing Board.

(m) "Managing Board" means initially Eliot I. Bernstein and Simon L. Bernstein and any other individuals appointed to the Managing Board as such by the Class A Members.

(n) "Member" means a Class A Member or a Class B Member or any Person hereinafter admitted to the Company as a Member.

(o) "Net Profits" and "Net Losses" of the Company for a Fiscal Year shall mean respectively, the income or loss of the Company, determined in accordance with Section 703 of the Code, and on a basis consistent with prior periods subject to the following adjustments:

(i) any income of the Company that is exempt from federal income tax shall increase such income or decrease such loss;

(ii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as described therein pursuant to Treasury Regulations 1.704-1(b)(2)(iv)(i) shall reduce such income or increase such loss;

(iii) any item which is specially allocated pursuant to Section 7.03 shall not be taken into account in computing such income or loss;

(iv) for purposes of computing income or loss (whether realized by reason of a sale or distribution) and depreciation and amortization, the basis of any property shall be equal to the amount shown on the Company's books; and

(v) any deemed income or deemed loss for book purposes resulting from the distribution of appreciated or depreciated property shall be taken into account in computing such income or loss.

(p) "New Membership Interest Class" means any new class of membership interest in the Company created pursuant to Section 4.04 hereof.

(q) "Nonrecourse Deductions" shall have the meaning set forth in Treasury Regulations Section 1.704-2(b)(1).

(r) "Percentage Interest" means the Percentage Interest of each Member as set forth opposite such Member's name on Schedules A1 and A2, each as amended from time to time.

(s) "Person" means any individual, partnership, limited liability entity, corporation, trust, or other entity.

(t) "Tax Distribution" means, with respect to any Member, an amount equal to the sum of: (i) the excess aggregate amount of Net Profit allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of long-term capital gain over the aggregate amount of Net Loss allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of capital loss, multiplied by the Capital Gains Income Tax Rate in effect for such Fiscal Year and (ii) the excess of the aggregate amount of Net Profit allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of other income (other than tax exempt income) over the aggregate amount of Net Loss allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of other loss, multiplied by the Ordinary Income Tax Rate in effect for such Fiscal Year.

(u) "Unit" is the number of Units granted to a Member as set forth opposite such Member's name on Schedules A1 and A2, each as amended from time to time.

ARTICLE II

Capital

2.01 Capital. uvview.com, Inc., pursuant to certain transactions in connection with the Assignment, has been credited as of the date hereof with capital contributions with a value as set forth opposite its name on Schedule A1 attached hereto, as amended from time to time. Each other Member has made capital contributions, in cash, in such amount as are set forth opposite the name of each of the Members on Schedule A2 attached hereto, as amended from time to time. No Member shall be required to make any additional capital contributions after the date hereof.

2.02 Capital Accounts. Capital Accounts shall be established and maintained for each Member on the Company's books. Such accounts shall be credited with each Member's respective capital contributions to the Company, if any, and allocable share of the Company's Net Profit and shall be debited by distributions to such Member of cash or other property and such Member's allocable share of the Company's Net Loss, and otherwise maintained, as determined by the Managing Board, in accordance with the provisions of applicable Treasury Regulations. Before decreasing an Member's Capital Account (as described above) with respect to the distribution of any property to such Member, all Member's accounts shall be adjusted, as applicable, to reflect the manner in which the unrealized income gain, loss, and deduction inherent in such property (that have not been previously reflected in the Members' Capital Accounts) would be allocated among the Members if there were a taxable disposition of such property by the Company on the date of distribution, in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f).

2.03 Interest. No interest shall be paid or credited to the Members on their Capital Accounts or upon any undistributed profits left on deposit with the Company.

ARTICLE III

Members

3.01 Powers. The Members shall have the power to exercise only those rights or powers granted to the Members pursuant to the express terms of this Agreement or the Act. Except as otherwise specifically provided by this Agreement or required by the Act, no Member shall have any part in the management of the Company or any authority or right in their capacity as Members to act on behalf of the Company in connection with any matter.

3.02 Other Ventures. It is expressly agreed that the Members and any affiliates, officers, directors, managers, stockholders, partners, members or employees of such Member, may engage in other business ventures of every nature and description, whether or not in competition with the Company, independently or with others, and neither the Company nor the Members shall have any rights in and to any independent venture or activity or the income or profits derived therefrom; provided that, none of the foregoing parties shall engage as an active participant (other than through the provision of legal services which shall be deemed not to be active participation) in any business venture relating in any manner to apparatuses and methods for producing enhanced digital images or otherwise engage in any activity which would result in a breach by such party of any confidentiality agreement entered into between such Member or such other party and the Company or its affiliates.

3.03 Actions by the Members. All actions of the Members are taken only by the Class A Members in proportion to their Class A Member's Interests at the time of the action taken. The Class A Members may vote, approve a matter or take any action by the vote of Class A Members at a meeting, in person or by proxy, or without a meeting by written consent. An

action approved by a Majority Vote or, where otherwise specifically required in this Agreement, 2/3 of the Class A Member's Interests shall be the action of the Members. Except to the extent specifically provided herein or as otherwise required by the Act, the Class B Members shall not be entitled to any voting rights.

3.04 Meetings: Action by Written Consent. Meetings of the Class A Members, for any purpose or purposes whatsoever, may be called at any time by a Managing Board or by a Majority Vote. However, in no instance where action is authorized by written consent need a meeting of Class A Members be called or noticed. A copy of the action taken by written consent must be immediately sent to all Class A Members.

ARTICLE IV

Transfer of Interests; Redemption; Issuance of Additional Interests and Units

4.01 Personal Property; Transferee's Interest. The interest of each Member of this Company is personal property and may be transferred only in accordance with this Section 4.01. Without approval (which shall not be unreasonably withheld or delayed in the case of a Class B Member) by a Majority Vote, no Member may transfer, assign, pledge or otherwise dispose of all or part of his interest in the Company. In the event any Member wishes to dispose of his interest, he shall notify the Class A Members who shall be under no obligation to acquire the interest, cause the Company to acquire the interest, nor to permit the sale to a third party.

4.02 Substitution of Members. If the Class A Members of the Company other than the Member proposing to dispose of his interest agree to a proposed transfer of the interest of the Member, but do not agree to admit the transferee as a Member (which consent may be withheld for any reason or for no reason whatsoever), such transferee shall have no right to participate in the management of the business and affairs of the Company or to become a Member, and shall only be entitled to its distributive share of Net Profit or Net Loss (as determined under Article VII) and distributions (as determined under Article VIII), to which the transferor Member would otherwise be entitled. If the transfer is approved by a Majority Vote and the admission of the transferee as a Member is also approved by a Majority Vote, such transferee shall have all the rights and powers and be subject to all the restrictions and liabilities of his assignor, shall become a substituted Member and, to the extent provided in this Agreement, shall have the right to participate in the management of the business and affairs of the Company.

4.03 Right of First Refusal. If a Class B Member receives a bona fide written offer (an "Offer") for the purchase of its Class B Membership Interest [or a portion thereof] (the "Offered Interest"), and the Class A Members by a Majority Vote pursuant to Section 4.01 hereof agree to the proposed transfer of the Offered Interest pursuant to such Offer, then during the 30-day period following approval of the transfer by the Class A Members, the Company shall have the option, but not the obligation, to purchase all, but not less than all, of the Offered Interest at the same price and on the other terms set forth in the Offer. If the Company does not exercise

such option, the Class A Members shall, during the 15-day period following notice by the Company not to exercise such option, have the option, but not the obligation, to purchase all, but not less than all, of the Offered Interest at the same price and on the other terms set forth in the Offer. Such purchase, if any, shall be made by the Class A Members on a pro rata basis in proportion to their respective Class A Membership Interests. If any Class A Member elects not to purchase its proportionate share of such Offered Interest, the remaining Class A Members may elect to purchase the non-participating Class A Member's proportionate share on a pro rata basis in proportion to their Class A Membership Interests; provided that, for the purposes of this sentence, their respective Class A Membership Interests shall be determined by excluding the Class A Membership Interests of any non-participating Class A Members. If neither the Company nor the Class A Members elect to purchase the Offered Interest, the selling Class B Member may at any time during the 60-day period following receipt of notice by the Class A Members not to exercise such option, sell, pursuant to the Offer, the Offered Interest.

4.04 Issuance of Additional Interests and Units.

(a) The Managing Board may authorize the issuance of options, warrants or other instruments convertible into membership interests (collectively, "Convertible Instruments") or admit any Person to the Company as a Class A Member or a Class B Member or may create a new class of membership interests (a "New Membership Interest Class") and credit such newly admitted Member with a membership interest and a number of Units as the Managing Board, in its sole discretion, deems appropriate, and for consideration and on terms and conditions as it, in its sole discretion, deems appropriate; provided that, the Managing Board shall not, without prior approval by Majority Vote of the Class A Members, (i) admit any Person as a Class A Member or (ii) create any New Membership Interest Class or authorize any Convertible Instrument which adversely affects the voting rights or the priority of distributions distributed to, or Net Profits or Net Losses allocated to, any Class A Member. Subject to the provisions of this Section 4.04 and Section 13.02 hereof, the Managing Board shall have the authority, without approval of any other Members, to amend the terms of this Agreement in order to provide for such New Membership Interest Class or Convertible Instruments.

(b) Solely for the purpose of adjusting the Members' Capital Accounts, if any new Members are admitted to the Company in accordance with this Section 4.04, the book value of the Company's assets shall be adjusted to reflect the fair value, as determined by the Managing Board, based upon the capital contributions of such new Members, in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f), and the difference between fair value and book value, if any, shall be treated as gain or loss, allocable as Net Profits or Net Losses in accordance with the provisions of Sections 7.01 and 7.02.

(c) If the Company issues membership interests in accordance with this Section 4.04, the membership interests and the Percentage Interests of the Members shall

be adjusted accordingly. The Managing Board shall update the Schedule(s) attached hereto to reflect such actions.

4.05 Limitations on Redemption of Capital Account. The right of any Member or the legal representatives of such Member to have distributed to such Member an amount equal to such Member's Capital Account is subject to Section 18-607 of the Act and to the provision for reserves for contingencies established in good faith by the Managing Board.

ARTICLE V

Managing Board

5.01 Appointment; Meetings; Voting; Time Commitment; Agency.

(a) The Company shall be managed by a Managing Board, initially consisting of two (2) Managers. The number of Managers serving on the Managing Board may be increased from time to time by the Class A Members by a Majority Vote. Regular meetings of the Managers shall be held not less than quarterly on such date and time as the Managers may hereinafter designate from time to time. A special meeting of the Managers may be called at any time upon the written request of a majority of the Managers. Notice of any meeting shall state the date, place, time and who is calling the meeting and state the purpose(s) of the meeting, and shall be given to all Managers not less than three (3) business days before the date of the meeting. Notice of special meetings to discuss matters requiring more prompt action may be sent to each Manager by hand delivery, or facsimile or similar means, no less than twenty-four (24) hours before the time at which such meeting is to be held. Notwithstanding the foregoing, each Manager who is entitled to notice waives notice if before or after the meeting the Manager submits a signed waiver of notice in person or by proxy, or is present at the meeting in person or by proxy without objecting to the lack of notice prior to conclusion of the meeting. At all meetings of the Managers, a majority of the total number of Managers that would exist if there were no vacancies present in person or by proxy shall constitute a quorum for the transaction of business or of any specified item of business. The vote of a majority of the Managers present at the time of the vote, if a quorum is present at such time, shall be the act of the Managing Board. If a quorum shall not be present at any meeting of the Managers, the Managers present thereat may adjourn the meeting from time to time, until a quorum shall be present. Notice of any such adjournment shall be given to any Managers who were not present and, unless announced at the meeting, to the other Managers. In lieu of holding a meeting, the Managers may vote or otherwise take action by a consent or consents in writing setting forth the action taken, signed by all of the Managers entitled to vote and filed with the records of the Company. Any one or more Managers may participate in a meeting called pursuant to this Section 5.01(a) by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other. Participation by such means shall constitute presence in person at a meeting.

(b) Each Manager shall be appointed by the Class A Members and shall hold office until his successor has been appointed or he is removed by the Class A Members. Managers may, but need not be, Members of the Company.

(c) The Managers shall be obliged to devote only as much of their time to the Company's business as shall be reasonably required in light of the Company's business and objectives. A Manager shall perform his duties as a Manager in good faith, in a manner he reasonably believes to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

(d) Every Manager is an agent of the Company for the purpose of its business, and the act of every Manager, including the execution in the Company name of any instrument for apparently carrying on in the usual way the business of the Company, binds the Company, unless such act is in contravention of the Certificate of Formation or this Agreement or unless the Manager so acting otherwise lacks the authority to act for the Company and the person with whom he is dealing has knowledge of the fact that he has no such authority.

5.02 Removal of Managers.

(a) The Class A Members may remove all or any lesser number of Managers with or without cause at any time.

(b) Any removal or addition of a Manager shall become effective immediately, unless specified otherwise by the Class A Members voting in favor thereof and in a notice delivered to any remaining Managers or the Manager elected to replace the removed Manager (except that it cannot be effective on a date earlier than the date such notice is delivered to the remaining or newly-elected Manager). Should a Manager be removed who is also a Class A Member or a Class B Member, such Member will continue to participate in the Company as a Member and receive his share of the Company's income, gains, losses, deductions, credits and distributions pursuant to this Agreement.

5.03 Resignation of Manager. A Manager may resign from his position on the Managing Board at any time by notice to the Class A Members. Such resignation shall be effective as set forth in such notice.

5.04 Powers of the Managing Board.

(a) The Managing Board shall have the right and authority to take all actions which the Managing Board deems necessary, useful or appropriate for the day-to-day management and conduct of the Company's business.

(b) Except to the extent expressly reserved herein to the Class A Members, the Managing Board may exercise all powers of the Company and do all such lawful acts and things as are not by law or this Agreement directed or required to be exercised or done by the Members. All instruments, contracts, agreements and documents providing for the acquisition, mortgage or disposition of property of the Company shall be valid and binding on the Company if executed by one or more Managers or by officers acting within the scope of authority delegated to such officers. All instruments, contracts, agreements and documents of whatsoever type executed on behalf of the Company shall be executed in the name of the Company by one or more Managers or by officers acting within the scope of authority delegated to such officers.

(c) Without prejudice to such general powers, but subject to the same limitations and the limitations set forth in subsection 5.04(d) below, it is hereby expressly declared that the Managing Board shall have the following powers:

First - To select, add and remove all agents and employees of the Company, prescribe such powers and duties for them as may be consistent with law and this Agreement, fix their compensation, and require from them security for faithful service.

Second - To conduct, manage and control the affairs and business of the Company, and to make such rules and regulations therefor consistent with the law and this Agreement.

Third - To change the registered office of the Company in Delaware from one location to another; to fix and locate from time to time one or more other offices of the Company; and to designate any place within or without the State of Delaware for the holding of any Members' meeting or Managing Board meetings.

Fourth - To borrow money and incur indebtedness for the purpose of the Company from Members and others, and to cause to be executed and delivered therefor, in the Company name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidence of debt and securities.

Fifth - To take any action pursuant to Section 4.04 hereof.

Sixth - Establish a record date with respect to all actions to be taken hereunder that require a record date be established, including with respect to allocations and distributions.

Seventh - Bring and defend on behalf of the Company actions and proceedings at law or in equity before any court or governmental, administrative or other regulatory agency, body or commission or otherwise.

Eighth - Execute all agreements, documents or instruments, perform all duties and powers and do all things for and on behalf of the Company in all matters necessary, desirable, convenient or incidental to the purpose of the Company.

The expression of any power or authority of the Managing Board in this Agreement shall not in any way limit or exclude any other power or authority which is not specifically or expressly set forth in this Agreement.

(d) Notwithstanding anything else herein, the following acts shall require a Majority Vote of the Class A Members: (i) any consolidation, reorganization or merger of the Company with another Person (other than a consolidation, reorganization or merger in which the Company is both the surviving entity and the Persons who were Members of the Company immediately before such consolidation, reorganization or merger continue to beneficially own at least a majority of the equity interests of the Company immediately thereafter), or any sale or other disposition by the Company of all or substantially all of its assets to any Person, including without limitation, any action pursuant to Article XII hereof; and (ii) any amendment of this Agreement pursuant to Section 13.02 hereof.

5.05 Bank Accounts. From time to time, the Managing Board may designate a person or persons, whether such persons be Members or not, to open and maintain one or more bank accounts; rent safety deposit boxes or vaults; sign checks, written directions, or other instruments to withdraw all or any part of the funds belonging to the Company and on deposit in any savings account or checking account; negotiate and purchase certificates of deposit, obtain access to the Company safety deposit box or boxes, and generally sign such forms on behalf of the Company as may be required to conduct the banking activities of the Company.

ARTICLE VI

Officers

6.01 Number; Titles; Election; Term. The Company may have one or more officers as the Managing Board shall determine from time to time. Any such officer shall have such powers and duties as may be delegated to such officer by the Managing Board. The initial officers of the Company shall be Eliot I. Bernstein as Chairman, President, Vice President, Treasurer and Secretary. Officers shall serve at the pleasure of the Managing Board and any officer may be removed at any time by the Managing Board. Any vacancy occurring in any office of the Company may be filled by act of the Managing Board.

6.02 Authority. Officers shall have such authority and perform such duties in the management of the Company that a person holding that office in a corporation customarily has or as may be determined by resolution of the Managing Board not inconsistent with the Treasury Regulations.

ARTICLE VII

Profits and Losses

7.01 Allocation of Net Profit. After giving effect to any allocation pursuant to Sections 7.03 and 7.04, Net Profit shall be allocated as follows and in the following order of priority:

(a) first, if there is a negative balance in a Capital Account of any Member, to the Capital Accounts of the Members which have negative balances, in proportion to the respective amounts of such negative balances;

(b) the balance, if any, shall be allocated to the Capital Accounts of the Members in proportion to their Percentage Interests.

7.02 Net Losses. After giving effect to any allocations pursuant to Sections 7.03 and 7.04, Net Losses shall be allocated as follows and in the following order of priority:

(a) to the Members, pro rata, an amount equal to the excess, if any, of (i) the cumulative Net Profits allocated to the Members pursuant to Section 7.01(b) hereof, over (ii) the cumulative Net Losses allocated to the Members pursuant to this Section 7.02(a) for the current and all prior Fiscal Years;

(b) to the Members, pro rata, in proportion to their positive Capital Accounts, until such Capital Accounts have been reduced to zero; and

(c) the balance, if any, shall be allocated among the Members in proportion and to the extent that each shall bear the economic risk of loss (within the meaning of Treasury Regulations Section 1.752-2) with respect to such Net Loss.

7.03 The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Notwithstanding any other provision of this Article VII, if there is a net decrease in Company Minimum Gain during any Fiscal Year, the Members shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to the greater of (i) the portion of such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(d)(1), that is allocable to the disposition of Company property subject to Nonrecourse Liabilities or (ii) if such Member would otherwise have an Adjusted Capital Account Deficit at the end of such Fiscal Year, an amount sufficient to eliminate such Adjusted Capital Account Deficit. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to the Members

pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulations Section 1.704-2. This Section 7.03(a) is intended to comply with the minimum gain chargeback requirement in such section of the Treasury Regulations and shall be interpreted consistently therewith. To the extent permitted by such section of the Treasury Regulations and for purposes of this Section 7.03(a) only, each Member's Adjusted Capital Account Deficit shall be determined prior to any other allocations pursuant to this Article VII with respect to such Fiscal Year.

(b) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Treasury Regulations, items of Company income and gain shall be specifically allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 7.03(b) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article VII have been tentatively made as if this Section 7.03(b) were not in the Agreement.

(c) Allocations Under Section 704(c) of the Code. All items of income, gain, loss, deduction, or allowance attributable to, or requiring an adjustment to the basis of, any non-cash property contributed to the capital of the Company shall be allocated among the Members in accordance with Section 704(c) of the Code so as to take account of any difference between the adjusted basis of the property to the Company for federal income tax purposes and the fair market value of the property on the date of contribution or deemed contribution.

(d) Nonrecourse Deductions. To the extent permitted by the Treasury Regulations, any Nonrecourse Deductions for any Fiscal Year or other period shall be allocated to the Members in proportion to their respective Percentage Interests.

(e) Section 754 Adjustments. Pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to the extent an adjustment to the adjusted tax basis of any Member asset under Code Sections 734(b) or 743(b) is required to be taken into account in determining Capital Accounts shall be treated as an item of gain (if the adjustment decreases such basis) or an item of loss (if the adjustment increases such basis) and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such section of the Treasury Regulations.

7.04 Curative Allocations. The allocation set forth in Section 7.03(b) (the "Regulatory Allocations") is intended to comply with certain requirements of Treasury Regulations Section 1.704. Notwithstanding any other provisions of this Section, the Regulatory Allocations shall be taken into account in allocating other profits, losses and items of income,

gain, loss and deduction among the Members so that, to the extent possible, the net amount of such allocations of other profits, losses and other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

7.05 Allocation of Income and Loss in Respect of Transferred Interests.

(a) If any interest in the Company is transferred, or upon the admission or withdrawal of an Member, in accordance with the provisions of this Agreement during any calendar year, the income or loss attributable to such interest for such calendar year shall be divided and allocated between the Members based upon an interim closing of the Company's books or on a daily basis, as determined in the sole discretion of the Class A Members. For the purpose of accounting convenience and simplicity, the Company shall treat a transfer of, or any increase or decrease in, an interest in the Company which occurs at any time during a semimonthly period (commencing with the semi-monthly period including the date hereof) as having been consummated on the first day of such semi-monthly period, regardless of when during such semi-monthly period such transfer, increase, or decrease actually occurs (e.g., sales and dispositions made during the first 15 days of any month will be deemed to have been made on the first day of the month and sales and dispositions thereafter will be deemed to have been made on the 16th day of the month).

(b) Notwithstanding any provision above to the contrary, gain or loss of the Company realized in connection with a sale or other disposition of any of the assets of the Company shall be allocated solely to the Members owning interests in the Company as of the date such sale or other disposition occurs.

ARTICLE VIII

Withdrawals, Distributions and Expenses

8.01 Withdrawals and Distributions in General. No Member shall be entitled (i) to receive distributions from the Company; or (ii) to withdraw any amount from such Member's Capital Account other than as provided in this Agreement.

8.02 Distributions.

(a) Except as set forth in Section 8.02(b) hereof, the Managing Board, in its sole and absolute discretion, may (but shall have no obligation to) make distributions to the Members. Subject to the provisions of Section 4.05 hereof, distributions, if any, made to the Members pursuant to this Section 8.02 shall be made to each of the Members in proportion to their respective Percentage Interests.

(b) Within 90 days following the end of the Fiscal Year, a Tax Distribution shall be made to each Member in respect to his or her Percentage Interests.

(c) Any distribution pursuant to Article VIII may be paid in cash or, except with respect to any Tax Distribution which shall be paid in cash, in kind by the Managing Board in its sole discretion.

(d) The Managing Board may cause the Company to withhold taxes from any allocation or distribution to any Member to the extent required by the Code or any other applicable law. For purposes of this Agreement, any taxes so withheld by the Company shall be deemed to be a distribution or payment to such Member, but shall not reduce the amount otherwise distributable or allocable to such Member pursuant to this Agreement, although it may reduce the Capital Account of such Members.

8.03 Distribution on Dissolution and Liquidation. In the event of the dissolution and liquidation of the Company for any reason, after the payment of or provision for creditors and other applicable law, the Company's assets shall be distributed among the Members in accordance with Section 8.02 hereof.

8.04 Deemed Sale of Assets. For all purposes of this Agreement, any property (other than cash) that is distributed or to be distributed in kind to one or more Members for a Fiscal Year (including, without limitation, all non-cash assets which shall be deemed distributed immediately prior to the dissolution and winding up of the Company so as to permit the unrealized gain or loss inherent in such assets to be allocated to the Members), shall be deemed to have been sold for cash equal to its fair market value, and the unrealized gain or loss inherent in such assets shall be treated as recognized gain or loss for purposes of determining the Net Profits and Net Loss of the Company to be allocated pursuant to Article VII hereof for such Fiscal Year.

8.05 Expenses. Except as otherwise provided in this Agreement, the Company will be responsible for all expenses, and the allocation thereof between and among each class of Common Interests and Units, including, without limitations:

(a) all expenses incurred by the Class A Members or their affiliates in organizing the Company;

(b) all expenses related to the business of the Company and all routine administrative expenses of the Company, including the maintenance of books and records of the Company, the preparation and dispatch to the Members of checks, financial reports, tax returns and notices required pursuant to this Agreement or in connection with the holding of any meetings of the Class A Members or the Managing Board;

(c) all expenses incurred in connection with any indebtedness or guarantees of the Company or any proposed or definitive credit facility or other credit arrangement;

(d) all expenses incurred in connection with any litigation or arbitration involving the Company (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith;

(e) all expenses for indemnity or contribution payable by the Company to any Person;

(f) all expenses incurred in connection with the collection of amounts due to the Company from any Person;

(g) all expenses incurred in connection with the preparation of amendments to this Agreement;

(h) all expenses incurred in connection with the liquidation, dissolution and winding up of the Company; and

(i) all expenses incurred directly or indirectly by Eliot I. Bernstein, Simon L. Bernstein and any other authorized party in connection with the development, registration and enforcement of all patents registered by Eliot I. Bernstein in connection the business and formation of this Company including, but not limited to, reasonable attorney's fees; and

(j) all expenses otherwise allocated in good faith to the Company by the Class A Members or the Managing Board.

ARTICLE IX

Accounting and Records

9.01 Records and Accounting. The books and records of the Company shall reflect all Company transactions and shall be appropriate and adequate for the Company's business. The Fiscal Year of the Company for financial reporting and for federal income tax purposes shall be the calendar year.

9.02 Access to Accounting Records. All books and records of the Company shall be maintained at any office of the Company or at the Company's principal place of business, and each Member, and his duly authorized representative, shall have access to them at such office of the Company and the right to inspect and copy them at reasonable times.

9.03 Tax Elections. The Managing Board shall make any federal, state and local tax elections on behalf of the Company as the Managing Board shall agree upon from time to time.

9.04 Annual Tax Information. The Managing Board shall cause the Company to deliver to each Member, within 90 days following the close of the Company's fiscal year, all information necessary for the preparation of such Member's federal income tax return.

9.05 Tax Matters Partner. There shall be one Tax Matters Partner designated as such who shall communicate and negotiate with the Internal Revenue Service on any tax matter on behalf of all Members and on behalf of the Company. The original designated Tax Matters Partner shall be [S Corp. Entity], who shall continue in that role until the Class A Members or the Managing Board shall designate another Class A Member for that role.

ARTICLE X

Term, Dissolution of the Company and Termination of a Member's Interest

The term of this Company began on the date the Certificate of Formation was filed with the Delaware Secretary of State and shall continue until December 31, 2049, unless dissolved or liquidated by a Majority Vote. This Company shall not be dissolved on the death, retirement, resignation, expulsion, bankruptcy or dissolution of any Member or occurrence of any other event which terminates a Member's continued membership in the Company.

ARTICLE XI

Indemnification

11.01 Indemnity. Subject to the provisions of Section 11.03 hereof, to the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the Company, by reason of the fact that such person is or was a Class A Member, a Manager, officer, director, controlling person, employee, legal representative, advisory committee member or agent of the Company, or is or was serving at the request of the Company as a Manager, director, officer, partner, controlling person, employee, legal representative, advisory committee member or agent of another limited liability company, partnership, corporation, joint venture, trust or other enterprise (a "Covered Person"), against any loss, liability, damage, claim or expenses, including attorneys' fees, judgment, fines and amounts paid in settlement ("Expenses"), actually and reasonably incurred by such Covered Person in connection with the action, suit or proceeding if such Covered Person acted in good faith and in a

manner which such Covered Person reasonably believed to be in or not opposed to the best interests of the Company, such act was not prohibited by Section 3.02 hereof and, with respect to a criminal action or proceeding, had no reasonable cause to believe such Covered Person's conduct was unlawful.

11.02 Indemnify for Actions By or In the Right of the Company. Subject to the provisions of Section 11.03 hereof, to the fullest extent permitted by applicable law, the Company shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the rights of this Company to procure a judgment in its favor by reason of the fact that he is or was a Covered Person, against any Expenses, actually and reasonably incurred by such Covered Person in connection with the action, suit or proceeding if such Covered Person acted in good faith and in a manner which such Covered Person reasonably believed to be in or not opposed to the best interests of this Company, and, with respect to a criminal action or proceeding, had no reasonable cause to believe such Covered Person's conduct was unlawful. Indemnification may not be made for any claim, issue or matter as to which such Covered Person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to this Company or for amounts paid in settlement to this Company, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the Covered Person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

11.03 Expenses. Any indemnification under Sections 11.01 and 11.02, as well as the advance payment of Expenses permitted under Section 11.04, unless ordered by a court, must be made by this Company only as authorized in the specific case upon a determination that indemnification of the Covered Person is proper in the circumstances. The determination must be made:

(a) By a Majority Vote of the Class A Members or by the Managing Board, provided that, for purposes of this Section 11.03 a Majority Vote shall only include Class A Members who were not parties to the act, suit or proceeding and, if applicable, an action of the Managing Board shall only include Managers who were not parties to the act, suit or proceeding;

(b) If a Majority Vote of the Class A Members or the Managing Board so orders, by independent legal counsel in a written opinion; or

(c) If such a Majority Vote of the Class A Members or action by the Managing Board cannot be obtained, by independent legal counsel in a written opinion.

Any obligation under this Article XI shall be provided out of and to the extent of Company assets only, and no Member or other Covered Person shall have any personal liability for any indemnification obligation.

11.04 Advance Payment of Expenses. The Expenses of a Covered Person incurred in defending a civil or criminal action, suit or proceeding may be paid by this Company as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the Covered Person to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by this Company. The provisions of this subsection do not affect any rights to advancement of Expenses to which personnel other than a Covered Person may be entitled under any contract or otherwise by law.

11.05 Other Arrangements Not Excluded. The indemnification and advancement of Expenses authorized in or ordered by a court pursuant to this Article XI:

(a) Does not exclude any other rights to which a Covered Person seeking indemnification or advancement of expenses may be entitled under the Certificate of Formation or any agreement, a Majority Vote or otherwise, for either an action in his official capacity or an action in another capacity while holding his office. Notwithstanding anything to the contrary herein, unless ordered by a court pursuant to Section 11.02 above, no indemnification shall be made to or on behalf of any Covered Person if a final adjudication established that his acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action.

(b) Continues for a person who has ceased to be a Covered Person and inures to the benefit of the heirs, executors and administrators of such a Covered Person.

11.06 Insurance. The Company may purchase and maintain insurance, to the extent, in such amounts and on behalf of such Persons as the Managing Board shall deem reasonable; this insurance may cover any liability that may be asserted against (or expenses that may be incurred by) any such Persons in connection with the activities of the Company, regardless of whether the Company would have the power to indemnify such Persons under the provisions of this Agreement. The Company may enter into indemnity contracts with Covered Persons and adopt written procedures pursuant to which arrangements are made for the funding of obligations arising under Article XI and containing such other procedures regarding indemnification (such as a requirement that an indemnified person use counsel selected by the Company) as are appropriate.

ARTICLE XII

Restructuring

Notwithstanding anything to the contrary contained in this Agreement and without limiting the generality of the voting rights of the Class A Members, the Class A Members shall have the right, in their sole discretion and without the approval of any other Members, to

restructure the Company as, or transfer all or substantially all of the assets of the Company to, a corporation (a "New Corporation"), in the manner determined by the Class A Members in their sole discretion, in a transaction in which (I) each outstanding Common Interest and New Membership Interest Class, if any, of the same class is treated in the same manner, and (II) if the Common Interests and New Membership Interest Classes, if any, are converted into equity securities of the New Corporation, the relative fair market values of the equity securities into which Common Interests and New Membership Interest Classes, if any, are converted are in proportion to the amounts each of the Members would have been entitled to receive upon a liquidation of the Company pursuant to Section 8.03, and (III) if all or substantially all of the assets of the Company are transferred to a New Corporation, the Company may retain all of the equity interests in the New Corporation until such time, if any, as the Class A Members, in their sole discretion and without the approval of any other Members, elect to dissolve the Company, in which case the Members will receive the equity interests in the New Corporation in proportion to the amounts each of the Members would have been entitled to receive upon a liquidation of the Company pursuant to Section 8.03. In connection with any transaction described in this Article XII, the business of the Company may be continued by the New Corporation and if the Company has been restructured as a New Corporation and the Common Interests and New Membership Interest Classes, if any, are converted into equity securities of the New Corporation, the Common Interests and New Membership Interest Classes shall be converted into equity of the New Corporation in the manner determined by the Class A Members in their sole discretion and without the approval of any other Members.

ARTICLE XIII

Miscellaneous Provisions

13.01 Complete Agreement. This Agreement and the Certificate of Formation constitute the complete and exclusive statement of the Agreement among the Members with respect to the subject matter contained therein. This Agreement and the Certificate of Formation replace and supersede all prior agreements by and among the Members with respect to the subject matter contained herein.

13.02 Amendments. This Agreement may be amended by a Majority Vote at a meeting or by written consent of such Class A Members and, with respect to matters contemplated by Section 4.04 hereof, the Managing Board. Notwithstanding the foregoing, any amendment which shall materially and adversely affect the rights or obligations of the Class B Members or any other class of membership interest hereinafter authorized and issued by the Company shall require the separate approval of the holders of at least a majority of the interests held by such class; provided, that in no event shall such separate class approval be required where the rights or obligations of the Class A Members are similarly affected by such amendment nor shall the dilution of the Percentage Interest or Units represented by a particular class be considered to cause a material and adverse affect.

13.03 Special Buy-Back Provision. If any Member or any affiliates, officers, directors, managers, stockholders, members or employees of such Member engages in any activity prohibited by Section 3.02 hereof which results in an adjudicated material breach of any applicable confidentiality agreement, the Company may, but shall not be obligated to, purchase such Member's Class A or Class B Membership Interest, as applicable, for an amount equal to the lesser of the value of such Member's positive Capital Account, if any, or such Member's initial Capital Contribution.

13.04 Applicable Law. The Certificate of Formation and this Agreement, and its application, shall be governed exclusively by its terms and the laws of the State of Delaware.

13.05 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provisions contained herein.

13.06 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be deemed invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

13.07 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements contained in this Agreement shall be binding upon and inure to the benefit of the existing Members, all new and substituted Members, and their respective designees (whether permitted by this Agreement or not), heirs, legal representatives, successors and assigns.

13.08 Power of Attorney. Each Member hereby appoints the Managing Board, or any of its members acting individually, as the true and lawful representative of such Member and attorney-in-fact, in such Member's name, place and stead:

(a) to receive and pay over to the Company on behalf of such Member, to the extent set forth in this Agreement, all funds received hereunder,

(b) to make, execute, sign, acknowledge, swear to and file: (i) a Certificate of Formation of the Company and all amendments thereto as may be required under the Act including, without limitation, any such filing for the purpose of admitting the undersigned and others as Members and describing their initial or any increased Capital Contributions and/or Capital Accounts; (ii) any and all instruments, certificates, and other documents which may be deemed necessary or desirable to effect the winding-up and termination of the Company (including, but not limited to, a Certificate of Cancellation of the Certificate of Formation); (iii) any business certificate, fictitious name certificate, amendment thereto, or other instrument, agreement or document of any kind necessary or desirable to accomplish the business, purpose and objectives of the Company, or required by any applicable federal, state or

local law; and (iv) all other filings with agencies of the federal government, of any state or local government, or of any other jurisdiction, which the Managing Board considers necessary or desirable to carry out the purposes of this Agreement.

The power of attorney hereby granted by each of the Members is coupled with an interest, is irrevocable, shall survive the transfer of the Member's interest in the Company and shall survive, and shall not be affected by, the subsequent death, disability, incapacity, incompetency, termination, bankruptcy, insolvency or dissolution of such Member. Copies of all documents executed by the Managing Board or any Manager pursuant to this Section 13.08 shall be distributed to the Members as soon as is practicable following such execution.

Such representative and attorney-in-fact shall not have any right, power or authority when acting in such capacity, (i) to amend or modify this Agreement, (ii) to take any action which would increase the liability of any Member hereunder or (iii) which would materially and adversely affect the rights of any Member hereunder.

13.09 Notices. Each notice relating to this Agreement shall be in writing and delivered in person, by facsimile or by registered or certified mail, return receipt requested. The receipt of any notice transmitted by facsimile must be confirmed by any means acceptable in the preceding sentence to be effective, provided, however, that such a confirmation does not, in turn, have to be confirmed. All notices to the Company shall be addressed to its principal office and place of business. All notices addressed to a Member shall be addressed to such Member at the address set forth in Schedule B. Any Member may designate a new address by notice to that effect given to the Company. Unless otherwise specifically provided in this Agreement, a notice shall be deemed to have been effectively given when faxed or three (3) business days after being mailed by registered or certified mail to the proper address or when delivered in person.

IN WITNESS HEREOF, this Limited Liability Company Agreement is entered into as of July 7, 1999.

Class A Members

uview.com, Inc.

(100% Class A Member)

By: Eliot I. Bernstein
Title: President

IN WITNESS HEREOF, this Limited Liability Company Agreement is entered into as of July 7, 1999.

Class B Members Proskauer Rose LLP (25% Class B Member)

By:
Title:

New Media Holding, Inc. (25% Class B Member)

By:
Title:

By: Jude Rosario (25% Class B Member)

By: Zakirul Shirajee (25% Class B Member)

SCHEDULE A1

Class A Member's Name	Capital Contribution Value	Class A Member's Interest	Units	Percentage Interest
uview.com, Inc.	\$25,206.50	100.00%	504,130	91.00%
TOTAL	\$25,206.50	100.00%	504,130	91.00%

SCHEDULE A2

Class B Member's Name	Capital Contribution	Class B Member's Interest	Units	Percentage Interest
Proskauer Rose LLP	\$625.00	25.00%	12,500	2.25%
New Media Holding, Inc.	\$625.00	25.00%	12,500	2.25%
Jude Rosario	\$625.00	25.00%	12,500	2.25%
Zakirul Shirajee	\$625.00	25.00%	12,500	2.25%
TOTAL	\$2,500.00	100.00%	50,000	9.00%

SCHEDULE B

Class A Members

uview.com, Inc.
500 SE Mizner Blvd., Suite 102
Boca Raton, Florida 33432

Class B Members

Proskauer Rose LLP
2255 Glades Road, Suite 340-W
Boca Raton, FL 33431-7360

New Media Holdings, Inc.
c/o Armstrong, Hirsch, Jackoway, Tyerman & Wertheimer
1888 Century Park East, 18th Floor
Los Angeles, CA 90067

Jude R. Rosario
5580 N.W. 61st Street, Apt. 625
Coconut Creek, FL 33065

Zakirul Shirajee
9485 Boca Cove Circle, #708
Boca Raton, FL 33428

IN WITNESS HEREOF, this Limited Liability Company Agreement is entered into as of July 7, 1999.

Class B Members Proskauer Rose LLP (25% Class B Member)

By:
Title:

New Media Holding, Inc. (25% Class B Member)

By:
Title:

By: Jude Rosario (25% Class B Member)

By: Zakirul Shirajee (25% Class B Member)

IN WITNESS HEREOF, this Limited Liability Company Agreement is entered into as of July 7, 1999.

Class B Members

Proskauer Rose LLP

(25% Class B Member)

By:
Title:

New Media Holding, Inc.

(25% Class B Member)

By:
Title:

By: Jude Rosario

(25% Class B Member)

By: Zakirul Shirajee

(25% Class B Member)

Confirmation Report—Memory Send

Time : Jun-22-99 02:37pm
Tel line 1 : +3105535036
Tel line 2 : +
Name : ARMSTRONG&HIRSCH

Job number : 564
Date : Jun-22 02:23pm
To : 12129692900
Document Pages : 17
Start time : Jun-22 02:24pm
End time : Jun-22 02:36pm
Pages sent : 17

Job number : 564 *** SEND SUCCESSFUL ***

**LAW OFFICES OF
ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER**
1888 CENTURY PARK EAST, 18TH FLOOR
LOS ANGELES, CALIFORNIA 90067
TELEPHONE (310) 553-0305 TELECOPIER (310) 553-5036

TELECOPIER TRANSMITTAL SHEET

DATE June 22, 1999
RECIPIENT Spencer Romoff, Esq
FROM Alan J. Epstein, Esq.
CLIENT/MATTER:
FAX NUMBER 212/969-2900
RE: iviewit, LLC - Operating Agreement
NUMBER OF PAGES _15_ (including cover page)

MESSAGE:

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential or exempt from disclosure under applicable Federal or State law. If the reader of the message is not the intended recipient or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited.

If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address via regular U.S. mail.

If all pages are not received, please contact sender at (310) 553-0305.
Thank you.
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LAW OFFICES OF
ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER
1888 CENTURY PARK EAST, 18TH FLOOR
LOS ANGELES, CALIFORNIA 90067
TELEPHONE: (310) 553-0305 TELECOPIER: (310) 553-5036

TELECOPIER TRANSMITTAL SHEET

DATE: June 22, 1999

RECIPIENT: Spencer Romoff, Esq.

FROM: Alan J. Epstein, Esq.

CLIENT/MATTER:

FAX NUMBER: 212/969-2900

RE: **iviewit, LLC - Operating Agreement**

NUMBER OF PAGES: 15 (including cover page)

MESSAGE:

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If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address via regular U.S. mail.

If all pages are not received, please contact sender at (310) 553-0305.
Thank you.

ROMOFF.FAX

LAW OFFICES

ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER

A PROFESSIONAL CORPORATION

1888 CENTURY PARK EAST, 18TH FLOOR
LOS ANGELES, CALIFORNIA 90067-1722

ALLAN L. ALEXANDER
KARL R. AUSTEN
JOSEPH D'ONOFRIO
ALAN J. EPSTEIN
J. GUNNAR ERICKSON
ANDREW L. GALKER
ROBERT S. GETMAN
GEORGE T. HAYUM*
BARRY L. HIRSCH*
JAMES R. JACKOWAY*
JONATHAN D. KAUFELT*

CHRISTIANNE F. KERNS
JAMES C. MANDELBAUM*
MARCY S. MORRIS
MICHELE M. MULROONEY
GEOFFREY W. OBLATH
SCOTT A. STEIN
ROBERT L. STULBERG
BARRY W. TYERMAN
ROBERT S. WALLERSTEIN
ERIC C. WEISSLER*
ALAN S. WERTHEIMER

*ALSO ADMITTED IN NEW YORK

TELEPHONE
(310) 553-0305
FACSIMILE
(310) 553-5036

OF COUNSEL
ARTHUR O. ARMSTRONG
RONALD J. BASS
GERALDINE S. HEMMERLING

OUR FILE

June 21, 1999

Via Facsimile (212) 969-2900 and Mail


Spencer Romoff, Esq.
Proskauer Rose, LLP
1585 Broadway, Room 2464
New York, NY 10036

Re: iviewit, LLC -- Operating Agreement

Dear Spencer:

Enclosed is a copy of the iviewit, LLC Operating Agreement, with my few comments hand-written in the margins (only pages with comments are included). Please call me to discuss at your convenience.

Best regards,



Alan J. Epstein

AJE:rdq

cc: Mr. Eliot Bernstein
Christopher Wheeler, Esq.
Mr. Gerald Lewin
Mr. Donald Kane
Mr. Jeffrey Friedstein
Michele M. Mulrooney, Esq.
James R. Jackoway, Esq.
George T. Hayum, Esq.
Jonathan D. Kaufelt, Esq.
(all w/encls.)

LIMITED LIABILITY COMPANY AGREEMENT
OF
iviewit LLC
a Delaware Limited Liability Company
(the "Company")

AKJTW Comment-
6/21/99

The parties to this Limited Liability Company Agreement of the Company are each of the Members (as hereinafter defined) listed on Schedules A1 and A2, who collectively constitute all of the Members of the Company as of June __, 1999.

RECITALS

WHEREAS, as of _____, 1999, the Members agreed to become business associates and to form a business for the purposes set forth in Section 1.03 hereof and, at that time, established the value of the property to be contributed to the Company; and

WHEREAS, the Class A Members (as hereinafter defined) have since formed a limited liability company pursuant to the Delaware Limited Liability Company Act (the "Act") pursuant to a filing of a Certificate of Formation with the Secretary of State of the State of Delaware on June 11, 1999.

NOW, THEREFORE, Each of the Members wishes to enter into the Limited Liability Agreement of the Company to properly reflect their respective interests in the Company and, accordingly, the parties have agreed as follows:

ARTICLE I

General Provisions

1.01 Registered Office. The registered office of the Company in Delaware shall be The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

1.02 Other Offices. The Company has an office at 500 SE Mizner Blvd., Suite 102, Boca Raton, Florida 33432 and may have other offices that may at any time be established by the Managing Board at any place or places.

1.03 Purpose; Nature of Business Permitted; Powers. The Company is organized primarily for the object and purpose of engaging in any lawful act or activity for which limited liability companies may be formed under the Act. The Company shall possess and may exercise all the powers and privileges granted by the Act or by any other law or by this Agreement, together with any powers incidental thereto, insofar as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business purposes or activities of the Company.

General Comments:

- 1) Need to discuss the assignment of all patent rights to LLC. Patents currently in Eliot Bernstein's name. If capital contribution, Eliot's capital account needs to be credited for FMV of patents. Also may want to have LLC reimburse Eliot for some of the patent counsel fees after Stage I financing.
- 2) Confirm no "capital calls."
- 3) Confirm that Managers can be employees of the LLC. Contemplated that Eliot will be an employee on payroll after Stage I financing.
- 4) Is there another LLC?
- 5) What will happen to iviewit.com and iviewit.inc?
- 6) Let's discuss whether or not tax-free reorg between acquiring company and the S corp LLC members is feasible. This is the premise of the tax plan, and should be confirmed by Proskauer.

I thought
Chris Wheeler
wanted to use
a Florida LLC

1.04 Fiscal Year. The fiscal year of the Company ("Fiscal Year") shall end on December 31 of each year.

1.05 Definitions.

(a) "Adjusted Capital Account Deficit" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which such Member is obligated to restore or is deemed to be obligated to restore pursuant to Treasury Regulations Sections 1.704-2(g) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(b) "Capital Gains Income Tax Rate" and "Ordinary Income Tax Rate" mean the highest marginal income tax rate in effect for a Fiscal Year with respect to long-term capital gains and ordinary income, respectively, for federal and [New York] State and City income tax purposes applicable to individuals (after giving effect as applicable to the deductibility of 80% of state and city income taxes for federal income tax purposes).

(c) "Class A Member" shall mean each Person set forth on Schedule A1, as amended from time to time.

(d) "Class A Member's Interest" shall mean with respect to each Class A Member the percentage interest in such class as set forth opposite each such Member's name, as amended from time to time.

(e) "Class B Member" shall mean each Person set forth on Schedule A2, as amended from time to time.

(f) "Class B Member's Interest" shall mean with respect to each Class B Member the percentage interest in such class as set forth opposite each such Member's name, as amended from time to time.

(g) "Common Interests" are the membership interests of the Company consisting of the Class A Member's Interests and the Class B Member's Interests and any New Membership Interest Class which is designated as a Common Interest by the Managing Board.

Let's discuss.
Have members from
FLA, NY, ILL and
CA.

(h) "Company Minimum Gain" shall have the meaning set forth in Treasury Regulation Section 1.704-2(b)(2).

(i) "Convertible Instruments" shall have the meaning set forth in Section 4.04.

(j) "Managing Board" means initially Eliot I. Bernstein and Simon L. Bernstein and any other individuals appointed to the Managing Board as such by the Class A Members.

(k) "Manager" means a member of the Managing Board.

(l) "Member" means a Class A Member or a Class B Member or any Person hereinafter admitted to the Company as a Member.

(m) "Net Profits" and "Net Losses" of the Company for a Fiscal Year shall mean respectively, the income or loss of the Company, determined in accordance with Section 703 of the Code, and on a basis consistent with prior periods subject to the following adjustments:

(i) any income of the Company that is exempt from federal income tax shall increase such income or decrease such loss;

(ii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as described therein pursuant to Treasury Regulations 1.704-1(b)(2)(iv)(i) shall reduce such income or increase such loss;

(iii) any item which is specially allocated pursuant to Section 7.03 shall not be taken into account in computing such income or loss;

(iv) for purposes of computing income or loss (whether realized by reason of a sale or distribution) and depreciation and amortization, the basis of any property shall be equal to the amount shown on the Company's books; and

(v) any deemed income or deemed loss for book purposes resulting from the distribution of appreciated or depreciated property shall be taken into account in computing such income or loss.

(n) "New Membership Interest Class" means any new class of membership interest in the Company created pursuant to Section 4.04 hereof.

(o) "Nonrecourse Deductions" shall have the meaning set forth in Treasury Regulations Section 1.704-2(b)(1).

Please define
"Majority Vote"
here

(p) "Percentage Interest" means the Percentage Interest of each Member as set forth opposite such Member's name on Schedules A1 and A2, each as amended from time to time.

(q) "Person" means any individual, partnership, limited liability entity, corporation, trust, or other entity.

(r) "Tax Distribution" means, with respect to any Member, an amount equal to the sum of: (i) the excess aggregate amount of Net Profit allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of long-term capital gain over the aggregate amount of Net Loss allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of capital loss, multiplied by the Capital Gains Income Tax Rate in effect for such Fiscal Year and (ii) the excess of the aggregate amount of Net Profit allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of other income (other than tax exempt income) over the aggregate amount of Net Loss allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of other loss, multiplied by the Ordinary Income Tax Rate in effect for such Fiscal Year.

(s) "Unit" is the number of Units granted to a Member as set forth opposite such Member's name on Schedules A1 and A2, each as amended from time to time.

ARTICLE II

Capital

Not all Members are contributing cash

2.01 Initial Capital. Each Member has made capital contributions, in cash, in such amounts as are set out opposite the name of each of the Members on Schedules A1 and A2 attached hereto, each as amended from time to time.

2.02 Capital Accounts. Capital Accounts shall be established and maintained for each Member on the Company's books. Such accounts shall be credited with each Member's respective capital contributions to the Company, if any, and allocable share of the Company's Net Profit and shall be debited by distributions to such Member of cash or other property and such Member's allocable share of the Company's Net Loss, and otherwise maintained, as determined by the Managing Board, in accordance with the provisions of applicable Treasury Regulations. Before decreasing an Member's Capital Account (as described above) with respect to the distribution of any property to such Member, all Member's accounts shall be adjusted, as applicable, to reflect the manner in which the unrealized income gain, loss, and deduction inherent in such property (that have not been previously reflected in the Members' Capital Accounts) would be allocated among the Members if there were a taxable disposition of such property by the Company on the date of distribution, in

accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f).

2.03 Interest. No interest shall be paid or credited to the Members on their Capital Accounts or upon any undistributed profits left on deposit with the Company.

ARTICLE III

Members

3.01 Powers. The Members shall have the power to exercise only those rights or powers granted to the Members pursuant to the express terms of this Agreement or the Act. Except as otherwise specifically provided by this Agreement or required by the Act, no Member shall have any part in the management of the Company or any authority or right in their capacity as Members to act on behalf of the Company in connection with any matter.

3.02 Other Ventures. It is expressly agreed that the Members and any affiliates, officers, directors, managers, stockholders, partners or employees of such Member, may engage in other business ventures of every nature and description, whether or not in competition with the Company, independently or with others, and neither the Company nor the Members shall have any rights in and to any independent venture or activity or the income or profits derived therefrom. **[Do we want competition with Company?]**

3.03 Actions by the Members. All actions of the Members are taken only by the Class A Members in proportion to their Class A Member's Interests at the time of the action taken. The Class A Members may vote, approve a matter or take any action by the vote of Class A Members at a meeting, in person or by proxy, or without a meeting by written consent. An action approved by the vote of Class A Members owning a majority of all of the Class A Member's Interests (a "Majority Vote") or, where otherwise specifically required in this Agreement, 2/3 of the Class A Member's Interests shall be the action of the Members. Except to the extent specifically provided herein or as otherwise required by the Act, the Class B Members shall not be entitled to any voting rights.

3.04 Meetings; Action by Written Consent. Meetings of the Class A Members, for any purpose or purposes whatsoever, may be called at any time by a Managing Board or by a Majority Vote. However, in no instance where action is authorized by written consent need a meeting of Class A Members be called or noticed. A copy of the action taken by written consent must be immediately sent to all Class A Members.

ARTICLE IV

Transfer of Interests; Redemption; Issuance of Additional Interests and Units

No competition permitted within narrow category (ask Eliot to define). Otherwise, competition ok, so long as no breach of Confidentiality Agmt. Incorporate terms of Confidentiality Agmt here, so that cross-breach exists.

Who are the Class A vs. B & C Members? I assume that Eliot, Sy and family are the Class A Members for now.

207

4.01 Personal Property; Transferee's Interest. The interest of each Member of this Company is personal property and may be transferred only in accordance with this Section 4.01. Without approval by a Majority Vote, no Member may transfer, assign, pledge or otherwise dispose of all or part of his interest in the Company. In the event a Member wishes to dispose of his interest, he shall notify the Class A Members who shall be under no obligation to acquire the interest, cause the Company to acquire the interest, nor to permit the sale to a third party.

4.02 Substitution of Members. If the Class A Members of the Company other than the Member proposing to dispose of his interest agree to a proposed transfer of the interest of the Member, but do not agree to admit the transferee as a Member (which consent may be withheld for any reason or for no reason whatsoever), such transferee shall have no right to participate in the management of the business and affairs of the Company or to become a Member, and shall only be entitled to its distributive share of Net Profit or Net Loss (as determined under Article VII) and distributions (as determined under Article VIII), to which the transferor Member would otherwise be entitled. If the transfer is approved by a Majority Vote and the admission of the transferee as a Member is also approved by a Majority Vote, such transferee shall have all the rights and powers and be subject to all the restrictions and liabilities of his assignor, shall become a substituted Member and, to the extent provided in this Agreement, shall have the right to participate in the management of the business and affairs of the Company.

4.03 Right of First Refusal. If a Class B Member receives a bona fide written offer (an "Offer") for the purchase of its Class B Membership Interest [or a portion thereof] (the "Offered Interest") and the Class A Members agree to the proposed transfer of the Offered Interest pursuant to such Offer, then during the 30-day period following approval of the transfer by the Class A Members, the Company shall have the option, but not the obligation, to purchase all, but not less than all, of the Offered Interest at the same price and on the other terms set forth in the Offer. If the Company does not exercise such option, the Class A Members shall, during the 15-day period following notice by the Company not to exercise such option, have the option, but not the obligation, to purchase all, but not less than all, of the Offered Interest at the same price and on the other terms set forth in the Offer. Such purchase, if any, shall be made by the Class A Members on a pro rata basis in proportion to their respective Class A Membership Interests. If any Class A Member elects not to purchase its proportionate share of such Offered Interest, the remaining Class A Members may elect to purchase the non-participating Class A Member's proportionate share on a pro rata basis in proportion to their Class A Membership Interests; provided that, for the purposes of this sentence, their respective Class A Membership Interests shall be determined by excluding the Class A Membership Interests of any non-participating Class A Members. If neither the Company nor the Class A Members elect to purchase the Offered Interest, the selling Class B Member may at any time during the 60-day period following receipt of notice by the Class A Members not to exercise such option, sell, pursuant to the Offer, the Offered Interest.

Can Class A Members disapprove in sale and absolute discretion?

4.04 Issuance of Additional Interests and Units. (a) The Managing Board may authorize the issuance of options, warrants or other instruments convertible into membership interests (collectively, "Convertible Instruments") or admit any Person to the Company as a Class A Member or a Class B Member or may create a new class of membership interests (a "New Membership Interest Class") and credit such newly admitted Member with a membership interest and a number of Units as the Managing Board, in its sole discretion, deems appropriate, and for consideration and on terms and conditions as it, in its sole discretion, deems appropriate; provided that, the Managing Board shall not, without prior approval by Majority Vote of the Class A Members, (i) admit any Person as a Class A Member or (ii) create any New Membership Interest Class or authorize any Convertible Instrument which adversely affects the voting rights or the priority of distributions distributed to, or Net Profits or Net Losses allocated to, any Class A Member. Subject to the provisions of this Section 4.04 and Section 13.02 hereof, the Managing Board shall have the authority, without approval of any other Members, to amend the terms of this Agreement in order to provide for such New Membership Interest Class or Convertible Instruments.

(b) Solely for the purpose of adjusting the Members' Capital Accounts, if any new Members are admitted to the Company in accordance with this Section 4.04, the book value of the Company's assets shall be adjusted to reflect the fair value, as determined by the Managing Board, based upon the capital contributions of such new Members, in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f), and the difference between fair value and book value, if any, shall be treated as gain or loss, allocable as Net Profits or Net Losses in accordance with the provisions of Sections 7.01 and 7.02.

(c) If the Company issues membership interests in accordance with this Section 4.04, the membership interests and the Percentage Interests of the Members shall be adjusted accordingly. The Managing Board shall update the Schedule(s) attached hereto to reflect such actions.

4.05 Limitations on Redemption of Capital Account. The right of any Member or the legal representatives of such Member to have distributed to such Member an amount equal to such Member's Capital Account is subject to Section 18-607 of the Act and to the provision for reserves for contingencies established in good faith by the Managing Board.

ARTICLE V

Managing Board

5.01 Appointment; Meetings; Voting; Time Commitment; Agency.

(a) The Company shall be managed by a Managing Board, initially

Agreement during any calendar year, the income or loss attributable to such interest for such calendar year shall be divided and allocated between the Members based upon an interim closing of the Company's books or on a daily basis, as determined in the sole discretion of the Class A Members. For the purpose of accounting convenience and simplicity, the Company shall treat a transfer of, or any increase or decrease in, an interest in the Company which occurs at any time during a semimonthly period (commencing with the semi-monthly period including the date hereof) as having been consummated on the first day of such semi-monthly period, regardless of when during such semi-monthly period such transfer, increase, or decrease actually occurs (e.g., sales and dispositions made during the first 15 days of any month will be deemed to have been made on the first day of the month and sales and dispositions thereafter will be deemed to have been made on the 16th day of the month).

(b) Notwithstanding any provision above to the contrary, gain or loss of the Company realized in connection with a sale or other disposition of any of the assets of the Company shall be allocated solely to the Members owning interests in the Company as of the date such sale or other disposition occurs.

ARTICLE VIII

Withdrawals, Distributions and Expenses

8.01 Withdrawals and Distributions in General. No Member shall be entitled (i) to receive distributions from the Company; or (ii) to withdraw any amount from such Member's Capital Account other than as provided in this Agreement.

8.02 Distributions.

(a) Except as set forth in Section 8.02(b) hereof, the Managing Board, in its sole and absolute discretion, may (but shall have no obligation to) make distributions to the Members. Subject to the provisions of Section 4.05 hereof, distributions, if any, made to the Members pursuant to this Section 8.02 shall be made to each of the Members in proportion to their respective Percentage Interests.

(b) Within 90 days following the end of the Fiscal Year, a Tax Distribution shall be made to each Member in respect to his or her Percentage Interests.

(c) Any distribution pursuant to Article VIII may be paid in cash or in kind by the Managing Board in its sole discretion.

(d) The Managing Board may cause the Company to withhold

Tax distributions need to be in cash

taxes from any allocation or distribution to any Member to the extent required by the Code or any other applicable law. For purposes of this Agreement, any taxes so withheld by the Company shall be deemed to be a distribution or payment to such Member, but shall not reduce the amount otherwise distributable or allocable to such Member pursuant to this Agreement, although it may reduce the Capital Account of such Members.

8.03 Distribution on Dissolution and Liquidation. In the event of the dissolution and liquidation of the Company for any reason, after the payment of or provision for creditors and other applicable law, the Company's assets shall be distributed among the Members in accordance with Section 8.02 hereof.

8.04 Deemed Sale of Assets. For all purposes of this Agreement, any property (other than cash) that is distributed or to be distributed in kind to one or more Members for a Fiscal Year (including, without limitation, all non-cash assets which shall be deemed distributed immediately prior to the dissolution and winding up of the Company so as to permit the unrealized gain or loss inherent in such assets to be allocated to the Members), shall be deemed to have been sold for cash equal to its fair market value, and the unrealized gain or loss inherent in such assets shall be treated as recognized gain or loss for purposes of determining the Net Profits and Net Loss of the Company to be allocated pursuant to Article VII hereof for such Fiscal Year.

8.05 Expenses. Except as otherwise provided in this Agreement, the Company will be responsible for all expenses, and the allocation thereof between and among each class of Common Interests and Units, including, without limitations:

- (a) all expenses incurred by the Class A Members or their affiliates in organizing the Company;
- (b) all expenses related to the business of the Company and all routine administrative expenses of the Company, including the maintenance of books and records of the Company, the preparation and dispatch to the Members of checks, financial reports, tax returns and notices required pursuant to this Agreement or in connection with the holding of any meetings of the Class A Members or the Managing Board;
- (c) all expenses incurred in connection with any indebtedness or guarantees of the Company or any proposed or definitive credit facility or other credit arrangement;
- (d) all expenses incurred in connection with any litigation or arbitration involving the Company (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith;
- (e) all expenses for indemnity or contribution payable by the

Include all
patent filing
and enforcement
costs.

Company to any Person;

- (f) all expenses incurred in connection with the collection of amounts due to the Company from any Person;
- (g) all expenses incurred in connection with the preparation of amendments to this Agreement;
- (h) all expenses incurred in connection with the liquidation, dissolution and winding up of the Company; and
- (i) all expenses otherwise allocated in good faith to the Company by the Class A Members or the Managing Board.

ARTICLE IX

Accounting and Records

9.01 Records and Accounting. The books and records of the Company shall reflect all Company transactions and shall be appropriate and adequate for the Company's business. The Fiscal Year of the Company for financial reporting and for federal income tax purposes shall be the calendar year.

9.02 Access to Accounting Records. All books and records of the Company shall be maintained at any office of the Company or at the Company's principal place of business, and each ~~Class A Member~~, and his duly authorized representative, shall have access to them at such office of the Company and the right to inspect and copy them at reasonable times.

9.03 Tax Elections. The Managing Board shall make any federal, state and local tax elections on behalf of the Company as the Managing Board shall agree upon from time to time.

9.04 Annual Tax Information. The Managing Board shall cause the Company to deliver to each Member all information necessary for the preparation of such Member's federal income tax return

within 90 days
of year end

9.05 Tax Matters Partner. There shall be one Tax Matters Partner designated as such who shall communicate and negotiate with the Internal Revenue Service on any tax matter on behalf of all Members and on behalf of the Company. The original designated Tax Matters Partner shall be [S Corp. Entity], who shall continue in that role until the Class A Members or the Managing Board shall designate another Class A Member for that role.

ARTICLE X

Term, Dissolution of the Company and
Termination of a Member's Interest

The term of this Company began on the date the Certificate of Formation was filed with the Delaware Secretary of State and shall continue until December 31, 2049, unless dissolved or liquidated by a Majority Vote. This Company shall not be dissolved on the death, retirement, resignation, expulsion, bankruptcy or dissolution of any Member or occurrence of any other event which terminates a Member's continued membership in the Company.

ARTICLE XI

Indemnification

11.01 Indemnity. Subject to the provisions of Section 11.03 hereof, to the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the Company, by reason of the fact that such person is or was a Class A Member a Manager, officer, director, controlling person, employee, legal representative or agent of the Company, or is or was serving at the request of the Company as a Manager, director, officer, partner, shareholder, controlling person, employee, legal representative or agent of another limited liability company, partnership, corporation, joint venture, trust or other enterprise (a "Covered Person"), against any loss, liability, damage, claim or expenses, including attorneys' fees, judgment, fines and amounts paid in settlement ("Expenses"), actually and reasonably incurred by such Covered Person in connection with the action, suit or proceeding if such Covered Person acted in good faith and in a manner which such Covered Person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to a criminal action or proceeding, had no reasonable cause to believe such Covered Person's conduct was unlawful.

Indemnity
needs to cover
other Members

11.02 Indemnify for Actions By or In the Right of the Company. Subject to the provisions of Section 11.03 hereof, to the fullest extent permitted by applicable law, the Company shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the rights of this Company to procure a judgment in its favor by reason of the fact that he is or was a Covered Person, against any Expenses, actually and reasonably incurred by such Covered Person in connection with the action, suit or proceeding if such Covered Person acted in good faith and in a manner which such Covered Person reasonably believed to be in or not opposed to the best interests of this Company, and, with respect to a criminal action or proceeding, had no reasonable cause to believe such Covered Person's conduct was unlawful. Indemnification may not be made for any claim, issue or matter as to which such Covered Person has been adjudged by a court

Notwithstanding anything to the contrary herein,

under the Certificate of Formation or any agreement, a Majority Vote or otherwise, for either an action in his official capacity or an action in another capacity while holding his office, ~~except that indemnification~~ unless ordered by a court pursuant to Section 11.02 above, ~~may not~~ be made to or on behalf of any Covered Person if a final adjudication established that his acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action.

a material breach of this Agreement (incorporate the terms of the Confidentiality Agreement)

no indemnification will

(b) Continues for a person who has ceased to be a Covered Person and inures to the benefit of the heirs, executors and administrators of such a Covered Person.

11.06 Insurance. The Company may purchase and maintain insurance, to the extent, in such amounts and on behalf of such Persons as the Managing Board shall deem reasonable; this insurance may cover any liability that may be asserted against (or expenses that may be incurred by) any such Persons in connection with the activities of the Company, regardless of whether the Company would have the power to indemnify such Persons under the provisions of this Agreement. The Company may enter into indemnity contracts with Covered Persons and adopt written procedures pursuant to which arrangements are made for the funding of obligations arising under Article XI and containing such other procedures regarding indemnification (such as a requirement that an indemnified person use counsel selected by the Company) as are appropriate.

ARTICLE XII

Restructuring

Notwithstanding anything to the contrary contained in this Agreement and without limiting the generality of the voting rights of the Class A Members, the Class A Members shall have the right, in their sole discretion and without the approval of any other Members, to restructure the Company as, or transfer all or substantially all of the assets of the Company to, a corporation (a "New Corporation"), in the manner determined by the Class A Members in their sole discretion, in a transaction in which (I) each outstanding Common Interest and New Membership Interest Class, if any, of the same class is treated in the same manner, and (II) if the Common Interests and New Membership Interest Classes, if any, are converted into equity securities of the New Corporation, the relative fair market values of the equity securities into which Common Interests and New Membership Interest Classes, if any, are converted are in proportion to the amounts each of the Members would have been entitled to receive upon a liquidation of the Company pursuant to Section 8.03, and (III) if all or substantially all of the assets of the Company are transferred to a New Corporation, the Company may retain all of the equity interests in the New Corporation until such time, if any, as the Class A Members, in their sole discretion and without the approval of any other Members, elect to dissolve the Company, in which case the Members will receive the

equity interests in the New Corporation in proportion to the amounts each of the Members would have been entitled to receive upon a liquidation of the Company pursuant to Section 8.03. In connection with any transaction described in this Article XII, the business of the Company may be continued by the New Corporation and if the Company has been restructured as a New Corporation and the Common Interests and New Membership Interest Classes, if any, are converted into equity securities of the New Corporation, the Common Interests and New Membership Interest Classes shall be converted into equity of the New Corporation in the manner determined by the Class A Members in their sole discretion and without the approval of any other Members.

ARTICLE XIII

Miscellaneous Provisions

13.01 Complete Agreement. This Agreement and the Certificate of Formation constitute the complete and exclusive statement of the Agreement among the Members with respect to the subject matter contained therein. This Agreement and the Certificate of Formation replace and supersede all prior agreements by and among the Members with respect to the subject matter contained herein.

13.02 Amendments. This Agreement may be amended by a Majority Vote at a meeting or by written consent of such Class A Members and, with respect to matters contemplated by Section 4.04 hereof, the Managing Board. Notwithstanding the foregoing, any amendment which shall materially and adversely affect the rights or obligations of the Class B Members or any other class of membership interest hereinafter authorized and issued by the Company shall require the separate approval of the holders of at least a majority of the interests held by such class; provided, that in no event shall such separate class approval be required where the rights or obligations of the Class A Members are similarly affected by such amendment nor shall the dilution of the Percentage Interest or Units represented by a particular class be considered to cause a material and adverse affect.

OK if Class A diluted too...

13.03 Applicable Law. The Certificate of Formation and this Agreement, and its application, shall be governed exclusively by its terms and the laws of the State of [Delaware].

13.04 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provisions contained herein.

13.05 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be deemed invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

Mandatory Delaware jurisdiction?

13.06 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements contained in this Agreement shall be binding upon and inure to the benefit of the existing Members, all new and substituted Members, and their respective designees (whether permitted by this Agreement or not), heirs, legal representatives, successors and assigns.

13.07 Power of Attorney. Each Member hereby appoints the Managing Board, or any of its members acting individually, as the true and lawful representative of such Member and attorney-in-fact, in such Member's name, place and stead:

(a) to receive and pay over to the Company on behalf of such Member, to the extent set forth in this Agreement, all funds received hereunder,

(b) to make, execute, sign, acknowledge, swear to and file: (i) a Certificate of Formation of the Company and all amendments thereto as may be required under the Act including, without limitation, any such filing for the purpose of admitting the undersigned and others as Members and describing their initial or any increased Capital Contributions and/or Capital Accounts; (ii) any and all instruments, certificates, and other documents which may be deemed necessary or desirable to effect the winding-up and termination of the Company (including, but not limited to, a Certificate of Cancellation of the Certificate of Formation); (iii) any business certificate, fictitious name certificate, amendment thereto, or other instrument, agreement or document of any kind necessary or desirable to accomplish the business, purpose and objectives of the Company, or required by any applicable federal, state or local law; and (iv) all other filings with agencies of the federal government, of any state or local government, or of any other jurisdiction, which the Managing Board considers necessary or desirable to carry out the purposes of this Agreement.

The power of attorney hereby granted by each of the Members is coupled with an interest, is irrevocable, shall survive the transfer of the Member's interest in the Company and shall survive, and shall not be affected by, the subsequent death, disability, incapacity, incompetency, termination, bankruptcy, insolvency or dissolution of such Member.

Such representative and attorney-in-fact shall not have any right, power or authority to amend or modify this Agreement when acting in such capacity.

13.08 Notices. Each notice relating to this Agreement shall be in writing and delivered in person, by facsimile or by registered or certified mail. The receipt of any notice transmitted by facsimile must be confirmed by any means acceptable in the preceding sentence to be effective, provided, however, that such a confirmation does not, in turn, have to be confirmed. All notices to the Company shall be addressed to its principal office and place of business. All notices addressed to a Member shall be addressed to such Member at the address set forth in Schedule B. Any Member may designate a new address by notice to that effect given to the Company. Unless otherwise specifically provided in this Agreement, a notice shall be deemed to have

POA OK, so long as does not increase Member's liability or adversely affect Member's rights. Send Members copies of all docs signed under POA.

return receipt requested?

been effectively given when faxed or mailed by registered or certified mail to the proper address or when delivered in person.

three (3) business days after

Confirmation Report—Memory Send

Time : Jun-21-99 05:53pm
Tel line 1 :
Tel line 2 :
Name : ARMSTRONG & HIRSCH

FILE

Job number : 414
Date : Jun-21 05:43pm
To : 8662#9999#0000#13105500765
Document Pages : 16
Start time : Jun-21 05:43pm
End time : Jun-21 05:53pm
Pages sent : 16
Job number : 414

*** SEND SUCCESSFUL ***

LAW OFFICES OF
ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER
1888 CENTURY PARK EAST, 18TH FLOOR
LOS ANGELES, CALIFORNIA 90067
TELEPHONE (310) 553-0305 TELECOPIER (310) 553-5036

TELECOPIER TRANSMITTAL SHEET

DATE June 21, 1999
RECIPIENT Spencer Romoff, Esq
FROM Alan J Epstein, Esq
CLIENT/MATTER
FAX NUMBER 310/550-0765
RE: iviewit, LLC - Operating Agreement
NUMBER OF PAGES _15_ (including cover page)

MESSAGE:

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If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address via regular U.S. mail.

If all pages are not received, please contact sender at (310) 553-0405.
Thank you.
EHS:PAK

LAW OFFICES OF
ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER
1888 CENTURY PARK EAST, 18TH FLOOR
LOS ANGELES, CALIFORNIA 90067
TELEPHONE: (310) 553-0305 TELECOPIER: (310) 553-5036

TELECOPIER TRANSMITTAL SHEET

DATE: June 21, 1999

RECIPIENT: Spencer Romoff, Esq.

FROM: Alan J. Epstein, Esq.

CLIENT/MATTER:

FAX NUMBER: 310/550-0765

RE: **iviewit, LLC - Operating Agreement**

NUMBER OF PAGES: _15_ (including cover page)

MESSAGE:

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Thank you.

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FOLLOW-UP

TELECOPIER TRANSMITTAL SHEET

DATE: June 21, 1999

RECIPIENT: Spencer Romoff, Esq.

FROM: Alan J. Epstein, Esq.

CLIENT/MATTER:

FAX NUMBER: 310/550-0765

RE: **iviewit, LLC - Operating Agreement**

NUMBER OF PAGES: 15 (including cover page)

MESSAGE:

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Thank you.

LINK FAX

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A PROFESSIONAL CORPORATION

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ARTHUR O. ARMSTRONG
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OUR FILE

June 21, 1999

*ALSO ADMITTED IN NEW YORK

Via Facsimile (212) 969-2900 and Mail

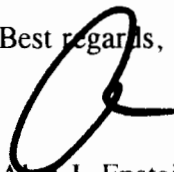
Spencer Romoff, Esq.
Proskauer Rose, LLP
1585 Broadway, Room 2464
New York, NY 10036

Re: iviewit, LLC -- Operating Agreement

Dear Spencer:

Enclosed is a copy of the iviewit, LLC Operating Agreement, with my few comments hand-written in the margins (only pages with comments are included). Please call me to discuss at your convenience.

Best regards,



Alan J. Epstein

AJE:rdq

cc: Mr. Eliot Bernstein
Christopher Wheeler, Esq.
Mr. Gerald Lewin
Mr. Donald Kane
Mr. Jeffrey Friedstein
Michele M. Mulrooney, Esq.
James R. Jackoway, Esq.
George T. Hayum, Esq.
Jonathan D. Kaufelt, Esq.
(all w/encls.)

LIMITED LIABILITY COMPANY AGREEMENT
OF
iviewit LLC
a Delaware Limited Liability Company
(the "Company")

AKJTW Comments
6/21/99

The parties to this Limited Liability Company Agreement of the Company are each of the Members (as hereinafter defined) listed on Schedules A1 and A2, who collectively constitute all of the Members of the Company as of June __, 1999.

RECITALS

WHEREAS, as of _____, 1999, the Members agreed to become business associates and to form a business for the purposes set forth in Section 1.03 hereof and, at that time, established the value of the property to be contributed to the Company; and

WHEREAS, the Class A Members (as hereinafter defined) have since formed a limited liability company pursuant to the Delaware Limited Liability Company Act (the "Act") pursuant to a filing of a Certificate of Formation with the Secretary of State of the State of Delaware on June 11, 1999.

NOW, THEREFORE, Each of the Members wishes to enter into the Limited Liability Agreement of the Company to properly reflect their respective interests in the Company and, accordingly, the parties have agreed as follows:

I thought
Chris Wheeler
wanted to use
a Florida LLC

ARTICLE I

General Provisions

1.01 Registered Office. The registered office of the Company in Delaware shall be The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

1.02 Other Offices. The Company has an office at 500 SE Mizner Blvd., Suite 102, Boca Raton, Florida 33432 and may have other offices that may at any time be established by the Managing Board at any place or places.

1.03 Purpose; Nature of Business Permitted; Powers. The Company is organized primarily for the object and purpose of engaging in any lawful act or activity for which limited liability companies may be formed under the Act. The Company shall possess and may exercise all the powers and privileges granted by the Act or by any other law or by this Agreement, together with any powers incidental thereto, insofar as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business purposes or activities of the Company.

General Comments:

- 1) Need to discuss the assignment of all patent rights to LLC. Patents currently in Eliot Bernstein's name. If capital contribution, Eliot's capital account needs to be credited for FMV of patents. Also may want to have LLC reimburse Eliot for some of the patent counsel fees after Stage I financing.
- 2) Confirm no "capital calls."
- 3) Confirm that Managers can be employees of the LLC. Contemplated that Eliot will be an employee on payroll after Stage I financing.
- 4) Is there another LLC?
- 5) What will happen to iviewit.com and iviewit.inc?
- 6) Let's discuss whether or not tax-free reorg between acquiring company and the S corp LLC members is feasible. This is the premise of the tax plan, and should be confirmed by Proskauer.

1.04 Fiscal Year. The fiscal year of the Company ("Fiscal Year") shall end on December 31 of each year.

1.05 Definitions.

(a) "Adjusted Capital Account Deficit" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which such Member is obligated to restore or is deemed to be obligated to restore pursuant to Treasury Regulations Sections 1.704-2(g) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(b) "Capital Gains Income Tax Rate" and "Ordinary Income Tax Rate" mean the highest marginal income tax rate in effect for a Fiscal Year with respect to long-term capital gains and ordinary income, respectively, for federal and [New York] State and City income tax purposes applicable to individuals (after giving effect as applicable to the deductibility of 80% of state and city income taxes for federal income tax purposes).

(c) "Class A Member" shall mean each Person set forth on Schedule A1, as amended from time to time.

(d) "Class A Member's Interest" shall mean with respect to each Class A Member the percentage interest in such class as set forth opposite each such Member's name, as amended from time to time.

(e) "Class B Member" shall mean each Person set forth on Schedule A2, as amended from time to time.

(f) "Class B Member's Interest" shall mean with respect to each Class B Member the percentage interest in such class as set forth opposite each such Member's name, as amended from time to time.

(g) "Common Interests" are the membership interests of the Company consisting of the Class A Member's Interests and the Class B Member's Interests and any New Membership Interest Class which is designated as a Common Interest by the Managing Board.

Let's discuss.
Have members from
FLA, NY, ILL and
CA.

(h) "Company Minimum Gain" shall have the meaning set forth in Treasury Regulation Section 1.704-2(b)(2).

(i) "Convertible Instruments" shall have the meaning set forth in Section 4.04.

(j) "Managing Board" means initially Eliot I. Bernstein and Simon L. Bernstein and any other individuals appointed to the Managing Board as such by the Class A Members.

(k) "Manager" means a member of the Managing Board.

(l) "Member" means a Class A Member or a Class B Member or any Person hereinafter admitted to the Company as a Member.

(m) "Net Profits" and "Net Losses" of the Company for a Fiscal Year shall mean respectively, the income or loss of the Company, determined in accordance with Section 703 of the Code, and on a basis consistent with prior periods subject to the following adjustments:

(i) any income of the Company that is exempt from federal income tax shall increase such income or decrease such loss;

(ii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as described therein pursuant to Treasury Regulations 1.704-1(b)(2)(iv)(i) shall reduce such income or increase such loss;

(iii) any item which is specially allocated pursuant to Section 7.03 shall not be taken into account in computing such income or loss;

(iv) for purposes of computing income or loss (whether realized by reason of a sale or distribution) and depreciation and amortization, the basis of any property shall be equal to the amount shown on the Company's books; and

(v) any deemed income or deemed loss for book purposes resulting from the distribution of appreciated or depreciated property shall be taken into account in computing such income or loss.

(n) "New Membership Interest Class" means any new class of membership interest in the Company created pursuant to Section 4.04 hereof.

(o) "Nonrecourse Deductions" shall have the meaning set forth in Treasury Regulations Section 1.704-2(b)(1).

Please define
"Majority Vote"
here

(p) "Percentage Interest" means the Percentage Interest of each Member as set forth opposite such Member's name on Schedules A1 and A2, each as amended from time to time.

(q) "Person" means any individual, partnership, limited liability entity, corporation, trust, or other entity.

(r) "Tax Distribution" means, with respect to any Member, an amount equal to the sum of: (i) the excess aggregate amount of Net Profit allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of long-term capital gain over the aggregate amount of Net Loss allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of capital loss, multiplied by the Capital Gains Income Tax Rate in effect for such Fiscal Year and (ii) the excess of the aggregate amount of Net Profit allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of other income (other than tax exempt income) over the aggregate amount of Net Loss allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of other loss, multiplied by the Ordinary Income Tax Rate in effect for such Fiscal Year.

(s) "Unit" is the number of Units granted to a Member as set forth opposite such Member's name on Schedules A1 and A2, each as amended from time to time.

ARTICLE II

Capital

2.01 Initial Capital. Each Member has made capital contributions, in cash, in such amounts as are set out opposite the name of each of the Members on Schedules A1 and A2 attached hereto, each as amended from time to time.

2.02 Capital Accounts. Capital Accounts shall be established and maintained for each Member on the Company's books. Such accounts shall be credited with each Member's respective capital contributions to the Company, if any, and allocable share of the Company's Net Profit and shall be debited by distributions to such Member of cash or other property and such Member's allocable share of the Company's Net Loss, and otherwise maintained, as determined by the Managing Board, in accordance with the provisions of applicable Treasury Regulations. Before decreasing an Member's Capital Account (as described above) with respect to the distribution of any property to such Member, all Member's accounts shall be adjusted, as applicable, to reflect the manner in which the unrealized income gain, loss, and deduction inherent in such property (that have not been previously reflected in the Members' Capital Accounts) would be allocated among the Members if there were a taxable disposition of such property by the Company on the date of distribution, in

Not all
Members are
contributing cash

accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f).

2.03 Interest. No interest shall be paid or credited to the Members on their Capital Accounts or upon any undistributed profits left on deposit with the Company.

ARTICLE III

Members

3.01 Powers. The Members shall have the power to exercise only those rights or powers granted to the Members pursuant to the express terms of this Agreement or the Act. Except as otherwise specifically provided by this Agreement or required by the Act, no Member shall have any part in the management of the Company or any authority or right in their capacity as Members to act on behalf of the Company in connection with any matter.

3.02 Other Ventures. It is expressly agreed that the Members and any affiliates, officers, directors, managers, stockholders, partners or employees of such Member, may engage in other business ventures of every nature and description, whether or not in competition with the Company, independently or with others, and neither the Company nor the Members shall have any rights in and to any independent venture or activity or the income or profits derived therefrom. **[Do we want competition with Company?]**

3.03 Actions by the Members. All actions of the Members are taken only by the Class A Members in proportion to their Class A Member's Interests at the time of the action taken. The Class A Members may vote, approve a matter or take any action by the vote of Class A Members at a meeting, in person or by proxy, or without a meeting by written consent. An action approved by the vote of Class A Members owning a majority of all of the Class A Member's Interests (a "Majority Vote") or, where otherwise specifically required in this Agreement, 2/3 of the Class A Member's Interests shall be the action of the Members. Except to the extent specifically provided herein or as otherwise required by the Act, the Class B Members shall not be entitled to any voting rights.

3.04 Meetings: Action by Written Consent. Meetings of the Class A Members, for any purpose or purposes whatsoever, may be called at any time by a Managing Board or by a Majority Vote. However, in no instance where action is authorized by written consent need a meeting of Class A Members be called or noticed. A copy of the action taken by written consent must be immediately sent to all Class A Members.

ARTICLE IV

Transfer of Interests; Redemption; Issuance of Additional Interests and Units

No competition permitted within narrow category (ask Elist to define). Otherwise competition OK, so long as no breach of Confidentiality Agmt. Incorporate terms of Confidentiality Agmt here, so that cross-breach exists.

Who are the Class A vs. B/C Members? I assume that Elist, Sy and Family are the Class A Members for now.

any

4.01 Personal Property; Transferee's Interest. The interest of each Member of this Company is personal property and may be transferred only in accordance with this Section 4.01. Without approval by a Majority Vote, no Member may transfer, assign, pledge or otherwise dispose of all or part of his interest in the Company. In the event any Member wishes to dispose of his interest, he shall notify the Class A Members who shall be under no obligation to acquire the interest, cause the Company to acquire the interest, nor to permit the sale to a third party.

4.02 Substitution of Members. If the Class A Members of the Company other than the Member proposing to dispose of his interest agree to a proposed transfer of the interest of the Member, but do not agree to admit the transferee as a Member (which consent may be withheld for any reason or for no reason whatsoever), such transferee shall have no right to participate in the management of the business and affairs of the Company or to become a Member, and shall only be entitled to its distributive share of Net Profit or Net Loss (as determined under Article VII) and distributions (as determined under Article VIII), to which the transferor Member would otherwise be entitled. If the transfer is approved by a Majority Vote and the admission of the transferee as a Member is also approved by a Majority Vote, such transferee shall have all the rights and powers and be subject to all the restrictions and liabilities of his assignor, shall become a substituted Member and, to the extent provided in this Agreement, shall have the right to participate in the management of the business and affairs of the Company.

4.03 Right of First Refusal. If a Class B Member receives a bona fide written offer (an "Offer") for the purchase of its Class B Membership Interest [for a portion thereof] (the "Offered Interest") and the Class A Members agree to the proposed transfer of the Offered Interest pursuant to such Offer, then during the 30-day period following approval of the transfer by the Class A Members, the Company shall have the option, but not the obligation, to purchase all, but not less than all, of the Offered Interest at the same price and on the other terms set forth in the Offer. If the Company does not exercise such option, the Class A Members shall, during the 15-day period following notice by the Company not to exercise such option, have the option, but not the obligation, to purchase all, but not less than all, of the Offered Interest at the same price and on the other terms set forth in the Offer. Such purchase, if any, shall be made by the Class A Members on a pro rata basis in proportion to their respective Class A Membership Interests. If any Class A Member elects not to purchase its proportionate share of such Offered Interest, the remaining Class A Members may elect to purchase the non-participating Class A Member's proportionate share on a pro rata basis in proportion to their Class A Membership Interests; provided that, for the purposes of this sentence, their respective Class A Membership Interests shall be determined by excluding the Class A Membership Interests of any non-participating Class A Members. If neither the Company nor the Class A Members elect to purchase the Offered Interest, the selling Class B Member may at any time during the 60-day period following receipt of notice by the Class A Members not to exercise such option, sell, pursuant to the Offer, the Offered Interest.

Can Class A Members disapprove in sale and absolute discretion?

Agreement during any calendar year, the income or loss attributable to such interest for such calendar year shall be divided and allocated between the Members based upon an interim closing of the Company's books or on a daily basis, as determined in the sole discretion of the Class A Members. For the purpose of accounting convenience and simplicity, the Company shall treat a transfer of, or any increase or decrease in, an interest in the Company which occurs at any time during a semi-monthly period (commencing with the semi-monthly period including the date hereof) as having been consummated on the first day of such semi-monthly period, regardless of when during such semi-monthly period such transfer, increase, or decrease actually occurs (e.g., sales and dispositions made during the first 15 days of any month will be deemed to have been made on the first day of the month and sales and dispositions thereafter will be deemed to have been made on the 16th day of the month).

(b) Notwithstanding any provision above to the contrary, gain or loss of the Company realized in connection with a sale or other disposition of any of the assets of the Company shall be allocated solely to the Members owning interests in the Company as of the date such sale or other disposition occurs.

ARTICLE VIII

Withdrawals, Distributions and Expenses

8.01 Withdrawals and Distributions in General. No Member shall be entitled (i) to receive distributions from the Company; or (ii) to withdraw any amount from such Member's Capital Account other than as provided in this Agreement.

8.02 Distributions.

(a) Except as set forth in Section 8.02(b) hereof, the Managing Board, in its sole and absolute discretion, may (but shall have no obligation to) make distributions to the Members. Subject to the provisions of Section 4.05 hereof, distributions, if any, made to the Members pursuant to this Section 8.02 shall be made to each of the Members in proportion to their respective Percentage Interests.

(b) Within 90 days following the end of the Fiscal Year, a Tax Distribution shall be made to each Member in respect to his or her Percentage Interests.

(c) Any distribution pursuant to Article VIII may be paid in cash or in kind by the Managing Board in its sole discretion.

(d) The Managing Board may cause the Company to withhold

Tax distributions
need to be in cash

taxes from any allocation or distribution to any Member to the extent required by the Code or any other applicable law. For purposes of this Agreement, any taxes so withheld by the Company shall be deemed to be a distribution or payment to such Member, but shall not reduce the amount otherwise distributable or allocable to such Member pursuant to this Agreement, although it may reduce the Capital Account of such Members.

8.03 Distribution on Dissolution and Liquidation. In the event of the dissolution and liquidation of the Company for any reason, after the payment of or provision for creditors and other applicable law, the Company's assets shall be distributed among the Members in accordance with Section 8.02 hereof.

8.04 Deemed Sale of Assets. For all purposes of this Agreement, any property (other than cash) that is distributed or to be distributed in kind to one or more Members for a Fiscal Year (including, without limitation, all non-cash assets which shall be deemed distributed immediately prior to the dissolution and winding up of the Company so as to permit the unrealized gain or loss inherent in such assets to be allocated to the Members), shall be deemed to have been sold for cash equal to its fair market value, and the unrealized gain or loss inherent in such assets shall be treated as recognized gain or loss for purposes of determining the Net Profits and Net Loss of the Company to be allocated pursuant to Article VII hereof for such Fiscal Year.

8.05 Expenses. Except as otherwise provided in this Agreement, the Company will be responsible for all expenses, and the allocation thereof between and among each class of Common Interests and Units, including, without limitations:

- (a) all expenses incurred by the Class A Members or their affiliates in organizing the Company;
- (b) all expenses related to the business of the Company and all routine administrative expenses of the Company, including the maintenance of books and records of the Company, the preparation and dispatch to the Members of checks, financial reports, tax returns and notices required pursuant to this Agreement or in connection with the holding of any meetings of the Class A Members or the Managing Board;
- (c) all expenses incurred in connection with any indebtedness or guarantees of the Company or any proposed or definitive credit facility or other credit arrangement;
- (d) all expenses incurred in connection with any litigation or arbitration involving the Company (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith;
- (e) all expenses for indemnity or contribution payable by the

Include all
patent filings
and enforcement
costs.

Company to any Person;

(f) all expenses incurred in connection with the collection of amounts due to the Company from any Person;

(g) all expenses incurred in connection with the preparation of amendments to this Agreement;

(h) all expenses incurred in connection with the liquidation, dissolution and winding up of the Company; and

(i) all expenses otherwise allocated in good faith to the Company by the Class A Members or the Managing Board.

ARTICLE IX

Accounting and Records

9.01 Records and Accounting. The books and records of the Company shall reflect all Company transactions and shall be appropriate and adequate for the Company's business. The Fiscal Year of the Company for financial reporting and for federal income tax purposes shall be the calendar year.

9.02 Access to Accounting Records. All books and records of the Company shall be maintained at any office of the Company or at the Company's principal place of business, and each Class A Member, and his duly authorized representative, shall have access to them at such office of the Company and the right to inspect and copy them at reasonable times.

9.03 Tax Elections. The Managing Board shall make any federal, state and local tax elections on behalf of the Company as the Managing Board shall agree upon from time to time.

9.04 Annual Tax Information. The Managing Board shall cause the Company to deliver to each Member all information necessary for the preparation of such Member's federal income tax return)

within 90 days
of year end

9.05 Tax Matters Partner. There shall be one Tax Matters Partner designated as such who shall communicate and negotiate with the Internal Revenue Service on any tax matter on behalf of all Members and on behalf of the Company. The original designated Tax Matters Partner shall be [S Corp. Entity], who shall continue in that role until the Class A Members or the Managing Board shall designate another Class A Member for that role.

ARTICLE X

Term, Dissolution of the Company and
Termination of a Member's Interest

The term of this Company began on the date the Certificate of Formation was filed with the Delaware Secretary of State and shall continue until December 31, 2049, unless dissolved or liquidated by a Majority Vote. This Company shall not be dissolved on the death, retirement, resignation, expulsion, bankruptcy or dissolution of any Member or occurrence of any other event which terminates a Member's continued membership in the Company.

ARTICLE XI

Indemnification

11.01 Indemnity. Subject to the provisions of Section 11.03 hereof, to the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the Company, by reason of the fact that such person is or was a Class A Member a Manager, officer, director, controlling person, employee, legal representative or agent of the Company, or is or was serving at the request of the Company as a Manager, director, officer, partner, shareholder, controlling person, employee, legal representative or agent of another limited liability company, partnership, corporation, joint venture, trust or other enterprise (a "Covered Person"), against any loss, liability, damage, claim or expenses, including attorneys' fees, judgment, fines and amounts paid in settlement ("Expenses"), actually and reasonably incurred by such Covered Person in connection with the action, suit or proceeding if such Covered Person acted in good faith and in a manner which such Covered Person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to a criminal action or proceeding, had no reasonable cause to believe such Covered Person's conduct was unlawful.

Indemnity
needs to cover
other Members

11.02 Indemnify for Actions By or In the Right of the Company. Subject to the provisions of Section 11.03 hereof, to the fullest extent permitted by applicable law, the Company shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the rights of this Company to procure a judgment in its favor by reason of the fact that he is or was a Covered Person, against any Expenses, actually and reasonably incurred by such Covered Person in connection with the action, suit or proceeding if such Covered Person acted in good faith and in a manner which such Covered Person reasonably believed to be in or not opposed to the best interests of this Company, and, with respect to a criminal action or proceeding, had no reasonable cause to believe such Covered Person's conduct was unlawful. Indemnification may not be made for any claim, issue or matter as to which such Covered Person has been adjudged by a court

Notwithstanding anything to the contrary herein,

under the Certificate of Formation or any agreement, a Majority Vote or otherwise, for either an action in his official capacity or an action in another capacity while holding his office, ~~except that indemnification~~, unless ordered by a court pursuant to Section 11.02 above, ~~may not~~ be made to or on behalf of any Covered Person if a final adjudication established that his acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action.

a material breach of this Agreement (incorporate the terms of the Confidentiality Agreement)

no indemnification will

(b) Continues for a person who has ceased to be a Covered Person and inures to the benefit of the heirs, executors and administrators of such a Covered Person.

11.06 Insurance. The Company may purchase and maintain insurance, to the extent, in such amounts and on behalf of such Persons as the Managing Board shall deem reasonable; this insurance may cover any liability that may be asserted against (or expenses that may be incurred by) any such Persons in connection with the activities of the Company, regardless of whether the Company would have the power to indemnify such Persons under the provisions of this Agreement. The Company may enter into indemnity contracts with Covered Persons and adopt written procedures pursuant to which arrangements are made for the funding of obligations arising under Article XI and containing such other procedures regarding indemnification (such as a requirement that an indemnified person use counsel selected by the Company) as are appropriate.

ARTICLE XII

Restructuring

Notwithstanding anything to the contrary contained in this Agreement and without limiting the generality of the voting rights of the Class A Members, the Class A Members shall have the right, in their sole discretion and without the approval of any other Members, to restructure the Company as, or transfer all or substantially all of the assets of the Company to, a corporation (a "New Corporation"), in the manner determined by the Class A Members in their sole discretion, in a transaction in which (I) each outstanding Common Interest and New Membership Interest Class, if any, of the same class is treated in the same manner, and (II) if the Common Interests and New Membership Interest Classes, if any, are converted into equity securities of the New Corporation, the relative fair market values of the equity securities into which Common Interests and New Membership Interest Classes, if any, are converted are in proportion to the amounts each of the Members would have been entitled to receive upon a liquidation of the Company pursuant to Section 8.03, and (III) if all or substantially all of the assets of the Company are transferred to a New Corporation, the Company may retain all of the equity interests in the New Corporation until such time, if any, as the Class A Members, in their sole discretion and without the approval of any other Members, elect to dissolve the Company, in which case the Members will receive the

equity interests in the New Corporation in proportion to the amounts each of the Members would have been entitled to receive upon a liquidation of the Company pursuant to Section 8.03. In connection with any transaction described in this Article XII, the business of the Company may be continued by the New Corporation and if the Company has been restructured as a New Corporation and the Common Interests and New Membership Interest Classes, if any, are converted into equity securities of the New Corporation, the Common Interests and New Membership Interest Classes shall be converted into equity of the New Corporation in the manner determined by the Class A Members in their sole discretion and without the approval of any other Members.

ARTICLE XIII

Miscellaneous Provisions

13.01 Complete Agreement. This Agreement and the Certificate of Formation constitute the complete and exclusive statement of the Agreement among the Members with respect to the subject matter contained therein. This Agreement and the Certificate of Formation replace and supersede all prior agreements by and among the Members with respect to the subject matter contained herein.

13.02 Amendments. This Agreement may be amended by a Majority Vote at a meeting or by written consent of such Class A Members and, with respect to matters contemplated by Section 4.04 hereof, the Managing Board. Notwithstanding the foregoing, any amendment which shall materially and adversely affect the rights or obligations of the Class B Members or any other class of membership interest hereinafter authorized and issued by the Company shall require the separate approval of the holders of at least a majority of the interests held by such class; provided, that in no event shall such separate class approval be required where the rights or obligations of the Class A Members are similarly affected by such amendment nor shall the dilution of the Percentage Interest or Units represented by a particular class be considered to cause a material and adverse affect.

OK if Class A diluted too...

13.03 Applicable Law. The Certificate of Formation and this Agreement, and its application, shall be governed exclusively by its terms and the laws of the State of [Delaware].

13.04 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provisions contained herein.

13.05 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be deemed invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

Mandatory Delaware jurisdiction?

13.06 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements contained in this Agreement shall be binding upon and inure to the benefit of the existing Members, all new and substituted Members, and their respective designees (whether permitted by this Agreement or not), heirs, legal representatives, successors and assigns.

13.07 Power of Attorney. Each Member hereby appoints the Managing Board, or any of its members acting individually, as the true and lawful representative of such Member and attorney-in-fact, in such Member's name, place and stead:

(a) to receive and pay over to the Company on behalf of such Member, to the extent set forth in this Agreement, all funds received hereunder,

(b) to make, execute, sign, acknowledge, swear to and file: (i) a Certificate of Formation of the Company and all amendments thereto as may be required under the Act including, without limitation, any such filing for the purpose of admitting the undersigned and others as Members and describing their initial or any increased Capital Contributions and/or Capital Accounts; (ii) any and all instruments, certificates, and other documents which may be deemed necessary or desirable to effect the winding-up and termination of the Company (including, but not limited to, a Certificate of Cancellation of the Certificate of Formation); (iii) any business certificate, fictitious name certificate, amendment thereto, or other instrument, agreement or document of any kind necessary or desirable to accomplish the business, purpose and objectives of the Company, or required by any applicable federal, state or local law; and (iv) all other filings with agencies of the federal government, of any state or local government, or of any other jurisdiction, which the Managing Board considers necessary or desirable to carry out the purposes of this Agreement.

The power of attorney hereby granted by each of the Members is coupled with an interest, is irrevocable, shall survive the transfer of the Member's interest in the Company and shall survive, and shall not be affected by, the subsequent death, disability, incapacity, incompetency, termination, bankruptcy, insolvency or dissolution of such Member.

Such representative and attorney-in-fact shall not have any right, power or authority to amend or modify this Agreement when acting in such capacity.

13.08 Notices. Each notice relating to this Agreement shall be in writing and delivered in person, by facsimile or by registered or certified mail. The receipt of any notice transmitted by facsimile must be confirmed by any means acceptable in the preceding sentence to be effective, provided, however, that such a confirmation does not, in turn, have to be confirmed. All notices to the Company shall be addressed to its principal office and place of business. All notices addressed to a Member shall be addressed to such Member at the address set forth in Schedule B. Any Member may designate a new address by notice to that effect given to the Company. Unless otherwise specifically provided in this Agreement, a notice shall be deemed to have

POA OK, so long as does not increase Member's liability or adversely affect Member's rights. Send Members copies of all docs signed under POA.

return receipt requested?

been effectively given when faxed or mailed by registered or certified mail to the proper address or when delivered in person.

three (3) business days after

LIMITED LIABILITY COMPANY AGREEMENT
OF
iviewit LLC
a Delaware Limited Liability Company
(the "Company")

The parties to this Limited Liability Company Agreement of the Company are each of the Members (as hereinafter defined) listed on Schedules A1 and A2, who collectively constitute all of the Members of the Company as of June , 1999.

RECITALS

WHEREAS, as of **on or about January**, 1999, the Members agreed to become business associates and to form a business for the purposes set forth in Section 1.03 hereof and, at that time, established the value of the property to be contributed to the Company; and

WHEREAS, the Class A Members (as hereinafter defined) have since formed a limited liability company pursuant to the Delaware Limited Liability Company Act (the "Act") pursuant to a filing of a Certificate of Formation with the Secretary of State of the State of Delaware on June 11, 1999.

NOW, THEREFORE, Each of the Members wishes to enter into the Limited Liability Agreement of the Company to properly reflect their respective interests in the Company and, accordingly, the parties have agreed as follows:

ARTICLE I

General Provisions

1.01 Registered Office. The registered office of the Company in Delaware shall be The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

1.02 Other Offices. The Company has an office at 500 SE Mizner Blvd., Suite 102, Boca Raton, Florida 33432 and may have other offices that may at any time be established by the Managing Board at any place or places.

1.03 Purpose; Nature of Business Permitted; Powers. The Company is organized primarily for the object and purpose of engaging in any lawful act or activity for which limited liability companies may be formed under the Act. The Company shall possess and may exercise all the powers and privileges granted by the Act or by any other law or by this Agreement, together with any powers incidental thereto, insofar as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business purposes or activities of the Company.

1.04 Fiscal Year. The fiscal year of the Company ("Fiscal Year") shall end on December 31 of each year.

1.05 Definitions.

(a) "Adjusted Capital Account Deficit" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which such Member is obligated to restore or is deemed to be obligated to restore pursuant to Treasury Regulations Sections 1.704-2(g) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(b) "Capital Gains Income Tax Rate" and "Ordinary Income Tax Rate" mean the highest marginal income tax rate in effect for a Fiscal Year with respect to long-term capital gains and ordinary income, respectively, for federal and ~~[New York] State and City~~ personal income tax purposes and applicable to individuals state and/or city personal income tax purposes, if any (after giving effect as applicable to the deductibility of 80% of state and city income taxes for federal income tax purposes).

(c) "Class A Member" shall mean each Person set forth on Schedule A1, as amended from time to time.

(d) "Class A Member's Interest" shall mean with respect to each Class A Member the percentage interest in such class as set forth opposite each such Member's name, as amended from time to time.

(e) "Class B Member" shall mean each Person set forth on Schedule A2, as amended from time to time.

(f) "Class B Member's Interest" shall mean with respect to each Class B Member the percentage interest in such class as set forth opposite each such Member's name, as amended from time to time.

(g) "Common Interests" are the membership interests of the Company consisting of the Class A Member's Interests and the Class B Member's Interests and any New Membership Interest Class which is designated as a Common

Interest by the Managing Board.

(h) "Company Minimum Gain" shall have the meaning set forth in Treasury Regulation Section 1.704-2(b)(2).

(i) "Convertible Instruments" shall have the meaning set forth in Section 4.04.

(j) **"Majority Vote" means the vote of the Class A Members owning a majority of all of the Class A Members' Interests.**

(k) "Manager" means a member of the Managing Board.

(l) "Managing Board" means initially Eliot I. Bernstein and Simon L. Bernstein and any other individuals appointed to the Managing Board as such by the Class A Members.

~~(k) "Manager" means a member of the Managing Board.~~

~~(m)~~ **(m)** "Member" means a Class A Member or a Class B Member or any Person hereinafter admitted to the Company as a Member.

~~(n)~~ **(n)** "Net Profits" and "Net Losses" of the Company for a Fiscal Year shall mean respectively, the income or loss of the Company, determined in accordance with Section 703 of the Code, and on a basis consistent with prior periods subject to the following adjustments:

(i) any income of the Company that is exempt from federal income tax shall increase such income or decrease such loss;

(ii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as described therein pursuant to Treasury Regulations 1.704-1(b)(2)(iv)(i) shall reduce such income or increase such loss;

(iii) any item which is specially allocated pursuant to Section 7.03 shall not be taken into account in computing such income or loss;

(iv) for purposes of computing income or loss (whether realized by reason of a sale or distribution) and depreciation and amortization, the basis of any property shall be equal to the amount shown on the Company's books; and

(v) any deemed income or deemed loss for book purposes resulting from the distribution of appreciated or depreciated property shall be taken into account in computing such income or loss.

~~(n)~~**(o)** "New Membership Interest Class" means any new class of membership interest in the Company created pursuant to Section 4.04 hereof.

~~(e)~~**(p)** "Nonrecourse Deductions" shall have the meaning set forth in Treasury Regulations Section 1.704-2(b)(1).

~~(p)~~**(q)** "Percentage Interest" means the Percentage Interest of each Member as set forth opposite such Member's name on Schedules A1 and A2, each as amended from time to time.

~~(q)~~**(r)** "Person" means any individual, partnership, limited liability entity, corporation, trust, or other entity.

~~(+)~~**(s)** "Tax Distribution" means, with respect to any Member, an amount equal to the sum of: (i) the excess aggregate amount of Net Profit allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of long-term capital gain over the aggregate amount of Net Loss allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of capital loss, multiplied by the Capital Gains Income Tax Rate in effect for such Fiscal Year and (ii) the excess of the aggregate amount of Net Profit allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of other income (other than tax exempt income) over the aggregate amount of Net Loss allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of other loss, multiplied by the Ordinary Income Tax Rate in effect for such Fiscal Year.

~~(s)~~**(t)** "Unit" is the number of Units granted to a Member as set forth opposite such Member's name on Schedules A1 and A2, each as amended from time to time.

ARTICLE II

Capital

Let's discuss the capital contributions of the "service" partners

2.01 Initial Capital. Each Member has made capital contributions, in cash, in **or property, with** such amounts **values** as are set out **forth** opposite the name of each of the Members on Schedules A1 and A2 attached hereto, each as amended from time to time. **No Member shall be required to make any additional capital contributions after the date hereof.**

2.02 Capital Accounts. Capital Accounts shall be established and maintained for each Member on the Company's books. Such accounts shall be credited with each Member's respective capital contributions to the Company, if any, and allocable share of the Company's Net Profit and shall be debited by distributions to

such Member of cash or other property and such Member's allocable share of the Company's Net Loss, and otherwise maintained, as determined by the Managing Board, in accordance with the provisions of applicable Treasury Regulations. Before decreasing an Member's Capital Account (as described above) with respect to the distribution of any property to such Member, all Member's accounts shall be adjusted, as applicable, to reflect the manner in which the unrealized income gain, loss, and deduction inherent in such property (that have not been previously reflected in the Members' Capital Accounts) would be allocated among the Members if there were a taxable disposition of such property by the Company on the date of distribution, in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f).

2.03 Interest. No interest shall be paid or credited to the Members on their Capital Accounts or upon any undistributed profits left on deposit with the Company.

ARTICLE III

Members

3.01 Powers. The Members shall have the power to exercise only those rights or powers granted to the Members pursuant to the express terms of this Agreement or the Act. Except as otherwise specifically provided by this Agreement or required by the Act, no Member shall have any part in the management of the Company or any authority or right in their capacity as Members to act on behalf of the Company in connection with any matter.

3.02 Other Ventures. It is expressly agreed that the Members and any affiliates, officers, directors, managers, stockholders, partners, **members** or employees of such Member, may engage in other business ventures of every nature and description, whether or not in competition with the Company, independently or with others, and neither the Company nor the Members shall have any rights in and to any independent venture or activity or the income or profits derived therefrom. ~~[Do we want competition with; provided that, none of the foregoing parties shall engage as an active participant in any other business venture relating to apparatuses and methods for producing enhanced digital images or otherwise engage in any activity which would result in a breach by such party of any confidentiality agreement entered into between such Member or such other party and the Company ?]~~ **or its affiliates.**

Does this mean our law firm (or PR) may be limited in who we represent?
Yes.

3.03 Actions by the Members. All actions of the Members are taken only by the Class A Members in proportion to their Class A Member's Interests at the time of the action taken. The Class A Members may vote, approve a matter or take any action by the vote of Class A Members at a meeting, in person or by proxy, or without a meeting by written consent. An action approved by the vote of Class A Members owning a majority of all of the Class A Member's Interests (a "Majority Vote") **a Majority**

Vote or, where otherwise specifically required in this Agreement, 2/3 of the Class A Member's Interests shall be the action of the Members. Except to the extent specifically provided herein or as otherwise required by the Act, the Class B Members shall not be entitled to any voting rights.

3.04 Meetings; Action by Written Consent. Meetings of the Class A Members, for any purpose or purposes whatsoever, may be called at any time by a Managing Board or by a Majority Vote. However, in no instance where action is authorized by written consent need a meeting of Class A Members be called or noticed. A copy of the action taken by written consent must be immediately sent to all Class A Members.

ARTICLE IV

Transfer of Interests; Redemption; Issuance of Additional Interests and Units

4.01 Personal Property; Transferee's Interest. The interest of each Member of this Company is personal property and may be transferred only in accordance with this Section 4.01. Without approval **(which shall not be unreasonably withheld or delayed in the case of a Class B Member)** by a Majority Vote, no Member may transfer, assign, pledge or otherwise dispose of all or part of his interest in the Company. In the event ~~an~~ **any** Member wishes to dispose of his interest, he shall notify the Class A Members who shall be under no obligation to acquire the interest, cause the Company to acquire the interest, nor to permit the sale to a third party.

4.02 Substitution of Members. If the Class A Members of the Company other than the Member proposing to dispose of his interest agree to a proposed transfer of the interest of the Member, but do not agree to admit the transferee as a Member (which consent may be withheld for any reason or for no reason whatsoever), such transferee shall have no right to participate in the management of the business and affairs of the Company or to become a Member, and shall only be entitled to its distributive share of Net Profit or Net Loss (as determined under Article VII) and distributions (as determined under Article VIII), to which the transferor Member would otherwise be entitled. If the transfer is approved by a Majority Vote and the admission of the transferee as a Member is also approved by a Majority Vote, such transferee shall have all the rights and powers and be subject to all the restrictions and liabilities of his assignor, shall become a substituted Member and, to the extent provided in this Agreement, shall have the right to participate in the management of the business and affairs of the Company.

4.03 Right of First Refusal. If a Class B Member receives a bona fide written offer (an "~~Offer~~" "**Offer**") for the purchase of its Class B Membership Interest [or a portion thereof] (the "~~Offered Interest~~" "**Offered Interest**"), and the Class A Members **by a Majority Vote pursuant to Section 4.01 hereof** agree to the proposed transfer of the Offered Interest pursuant to such Offer, then during the 30-day period following

approval of the transfer by the Class A Members, the Company shall have the option, but not the obligation, to purchase all, but not less than all, of the Offered Interest at the same price and on the other terms set forth in the Offer. If the Company does not exercise such option, the Class A Members shall, during the 15-day period following notice by the Company not to exercise such option, have the option, but not the obligation, to purchase all, but not less than all, of the Offered Interest at the same price and on the other terms set forth in the Offer. Such purchase, if any, shall be made by the Class A Members on a pro rata basis in proportion to their respective Class A Membership Interests. If any Class A Member elects not to purchase its proportionate share of such Offered Interest, the remaining Class A Members may elect to purchase the non-participating Class A Member's proportionate share on a pro rata basis in proportion to their Class A Membership Interests; provided that, for the purposes of this sentence, their respective Class A Membership Interests shall be determined by excluding the Class A Membership Interests of any non-participating Class A Members. If neither the Company nor the Class A Members elect to purchase the Offered Interest, the selling Class B Member may at any time during the 60-day period following receipt of notice by the Class A Members not to exercise such option, sell, pursuant to the Offer, the Offered Interest.

4.04 Issuance of Additional Interests and Units.

(a) The Managing Board may authorize the issuance of options, warrants or other instruments convertible into membership interests (collectively, "Convertible Instruments") or admit any Person to the Company as a Class A Member or a Class B Member or may create a new class of membership interests (a "New Membership Interest Class") and credit such newly admitted Member with a membership interest and a number of Units as the Managing Board, in its sole discretion, deems appropriate, and for consideration and on terms and conditions as it, in its sole discretion, deems appropriate; provided that, the Managing Board shall not, without prior approval by Majority Vote of the Class A Members, (i) admit any Person as a Class A Member or (ii) create any New Membership Interest Class or authorize any Convertible Instrument which adversely affects the voting rights or the priority of distributions distributed to, or Net Profits or Net Losses allocated to, any Class A Member. Subject to the provisions of this Section 4.04 and Section 13.02 hereof, the Managing Board shall have the authority, without approval of any other Members, to amend the terms of this Agreement in order to provide for such New Membership Interest Class or Convertible Instruments.

(b) Solely for the purpose of adjusting the Members' Capital Accounts, if any new Members are admitted to the Company in accordance with this Section 4.04, the book value of the Company's assets shall be adjusted to reflect the fair value, as determined by the Managing Board, based upon the capital contributions of such new Members, in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f), and the difference between fair value and book value, if any, shall be treated as gain or loss, allocable as Net Profits or Net

Losses in accordance with the provisions of Sections 7.01 and 7.02.

(c) If the Company issues membership interests in accordance with this Section 4.04, the membership interests and the Percentage Interests of the Members shall be adjusted accordingly. The Managing Board shall update the Schedule(s) attached hereto to reflect such actions.

4.05 Limitations on Redemption of Capital Account. The right of any Member or the legal representatives of such Member to have distributed to such Member an amount equal to such Member's Capital Account is subject to Section 18-607 of the Act and to the provision for reserves for contingencies established in good faith by the Managing Board.

ARTICLE V

Managing Board

5.01 Appointment; Meetings; Voting; Time Commitment; Agency.

(a) The Company shall be managed by a Managing Board, initially consisting of two (2) Managers. The number of Managers serving on the Managing Board may be increased from time to time by the Class A Members by a Majority Vote. Regular meetings of the Managers shall be held not less than quarterly on such date and time as the Managers may hereinafter designate from time to time. A special meeting of the Managers may be called at any time upon the written request of a majority of the Managers. Notice of any meeting shall state the date, place, time and who is calling the meeting and state the purpose(s) of the meeting, and shall be given to all Managers not less than three (3) business days before the date of the meeting. Notice of special meetings to discuss matters requiring more prompt action may be sent to each Manager by hand delivery, or facsimile or similar means, no less than twenty-four (24) hours before the time at which such meeting is to be held. Notwithstanding the foregoing, each Manager who is entitled to notice waives notice if before or after the meeting the Manager submits a signed waiver of notice in person or by proxy, or is present at the meeting in person or by proxy without objecting to the lack of notice prior to conclusion of the meeting. At all meetings of the Managers, a majority of the total number of Managers that would exist if there were no vacancies present in person or by proxy shall constitute a quorum for the transaction of business or of any specified item of business. The vote of a majority of the Managers present at the time of the vote, if a quorum is present at such time, shall be the act of the Managing Board. If a quorum shall not be present at any meeting of the Managers, the Managers present thereat may adjourn the meeting from time to time, until a quorum shall be present. Notice of any such adjournment shall be given to any Managers who were not present and, unless announced at the meeting, to the other Managers. In lieu of holding a meeting, the Managers may vote or otherwise take action by a consent or consents in writing setting forth the action taken, signed by all of the Managers

entitled to vote and filed with the records of the Company. Any one or more Managers may participate in a meeting called pursuant to this Section 5.01(a) by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other. Participation by such means shall constitute presence in person at a meeting.

(b) Each Manager shall be appointed by the Class A Members and shall hold office until his successor has been appointed or he is removed by the Class A Members. Managers may, but need not be, Members of the Company.

(c) The Managers shall be obliged to devote only as much of their time to the Company's business as shall be reasonably required in light of the Company's business and objectives. A Manager shall perform his duties as a Manager in good faith, in a manner he reasonably believes to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

~~(e)~~(d) Every Manager is an agent of the Company for the purpose of its business, and the act of every Manager, including the execution in the Company name of any instrument for apparently carrying on in the usual way the business of the Company, binds the Company, unless such act is in contravention of the Certificate of Formation or this Agreement or unless the Manager so acting otherwise lacks the authority to act for the Company and the person with whom he is dealing has knowledge of the fact that he has no such authority.

5.02 Removal of Managers.

(a) The Class A Members may remove all or any lesser number of Managers with or without cause at any time.

(b) Any removal or addition of a Manager shall become effective immediately, unless specified otherwise by the Class A Members voting in favor thereof and in a notice delivered to any remaining Managers or the Manager elected to replace the removed Manager (except that it cannot be effective on a date earlier than the date such notice is delivered to the remaining or newly-elected Manager). Should a Manager be removed who is also a Class A Member or a Class B Member, such Member will continue to participate in the Company as a Member and receive his share of the Company's income, gains, losses, deductions, credits and distributions pursuant to this Agreement.

5.03 Resignation of Manager. A Manager may resign from his position on the Managing Board at any time by notice to the Class A Members. Such resignation shall be effective as set forth in such notice.

5.04 Powers of the Managing Board.

(a) The Managing Board shall have the right and authority to take all actions which the Managing Board deems necessary, useful or appropriate for the day-to-day management and conduct of the Company's business.

(b) Except to the extent expressly reserved herein to the Class A Members, the Managing Board may exercise all powers of the Company and do all such lawful acts and things as are not by law or this Agreement directed or required to be exercised or done by the Members. All instruments, contracts, agreements and documents providing for the acquisition, mortgage or disposition of property of the Company shall be valid and binding on the Company if executed by one or more Managers or by officers acting within the scope of authority delegated to such officers. All instruments, contracts, agreements and documents of whatsoever type executed on behalf of the Company shall be executed in the name of the Company by one or more Managers or by officers acting within the scope of authority delegated to such officers.

(c) Without prejudice to such general powers, but subject to the same limitations and the limitations set forth in subsection 5.04(d) below, it is hereby expressly declared that the Managing Board shall have the following powers:

First - To select, add and remove all agents and employees of the Company, prescribe such powers and duties for them as may be consistent with law and this Agreement, fix their compensation, and require from them security for faithful service.

Second - To conduct, manage and control the affairs and business of the Company, and to make such rules and regulations therefor consistent with the law and this Agreement.

Third - To change the registered office of the Company in Delaware from one location to another; to fix and locate from time to time one or more other offices of the Company; and to designate any place within or without the State of Delaware for the holding of any Members' meeting or Managing Board meetings.

Fourth - To borrow money and incur indebtedness for the purpose of the Company from Members and others, and to cause to be executed and delivered therefor, in the Company name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidence of debt and securities.

Fifth - To take any action pursuant to Section 4.04 hereof.

Sixth - Establish a record date with respect to all actions to be taken hereunder that require a record date be established, including with respect to allocations and distributions.

Seventh - Bring and defend on behalf of the Company actions and proceedings at law or in equity before any court or governmental, administrative or other regulatory agency, body or commission or otherwise.

Eighth - Execute all agreements, documents or instruments, perform all duties and powers and do all things for and on behalf of the Company in all matters necessary, desirable, convenient or incidental to the purpose of the Company.

The expression of any power or authority of the Managing Board in this Agreement shall not in any way limit or exclude any other power or authority which is not specifically or expressly set forth in this Agreement.

(d) Notwithstanding anything else herein, the following acts shall require a Majority Vote of the Class A Members: (i) any consolidation, reorganization or merger of the Company with another Person (other than a consolidation, reorganization or merger in which the Company is both the surviving entity and the Persons who were Members of the Company immediately before such consolidation, reorganization or merger continue to beneficially own at least a majority of the equity interests of the Company immediately thereafter), or any sale or other disposition by the Company of all or substantially all of its assets to any Person, including without limitation, any action pursuant to Article XII hereof; and (ii) any amendment of this Agreement pursuant to Section 13.02 hereof.

5.05 Bank Accounts. From time to time, the Managing Board may designate a person or persons, whether such persons be Members or not, to open and maintain one or more bank accounts; rent safety deposit boxes or vaults; sign checks, written directions, or other instruments to withdraw all or any part of the funds belonging to the Company and on deposit in any savings account or checking account; negotiate and purchase certificates of deposit, obtain access to the Company safety deposit box or boxes, and generally sign such forms on behalf of the Company as may be required to conduct the banking activities of the Company.

ARTICLE VI

Officers

6.01 Number; Titles; Election; Term. The Company may have one or more officers as the Managing Board shall determine from time to time. Any such officer shall have such powers and duties as may be delegated to such officer by the Managing Board. The initial officers of the Company shall be Eliot I. Bernstein as Chairman, President, Vice President, Treasurer and Secretary. Officers shall serve at the pleasure of the Managing Board and any officer may be removed at any time by the Managing Board. Any vacancy occurring in any office of the Company may be filled by

act of the Managing Board.

6.02 Authority. Officers shall have such authority and perform such duties in the management of the Company that a person holding that office in a corporation customarily has or as may be determined by resolution of the Managing Board not inconsistent with the Treasury Regulations.

ARTICLE VII

Profits and Losses

7.01 Allocation of Net Profit. After giving effect to any allocation pursuant to Sections 7.03 and 7.04, Net Profit shall be allocated as follows and in the following order of priority:

- (a) first, if there is a negative balance in a Capital Account of any Member, to the Capital Accounts of the Members which have negative balances, in proportion to the respective amounts of such negative balances;
- (b) the balance, if any, shall be allocated to the Capital Accounts of the Members in proportion to their Percentage Interests.

7.02 Net Losses. After giving effect to any allocations pursuant to Sections 7.03 and 7.04, Net Losses shall be allocated as follows and in the following order of priority:

- (a) to the Members, pro rata, an amount equal to the excess, if any, of (i) the cumulative Net Profits allocated to the Members pursuant to Section 7.01(b) hereof, over (ii) the cumulative Net Losses allocated to the Members pursuant to this Section 7.02(a) for the current and all prior Fiscal Years;
- (b) to the Members, pro rata, in proportion to their positive Capital Accounts, until such Capital Accounts have been reduced to zero; and
- (c) the balance, if any, shall be allocated among the Members in proportion and to the extent that each shall bear the economic risk of loss (within the meaning of Treasury Regulations Section 1.752-2) with respect to such Net Loss.

7.03 The following special allocations shall be made in the following order:

- (a) Minimum Gain Chargeback. Notwithstanding any other provision of this Article VII, if there is a net decrease in Company Minimum Gain during any Fiscal Year, the Members shall be specially allocated items of

Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to the greater of (i) the portion of such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(d)(1), that is allocable to the disposition of Company property subject to Nonrecourse Liabilities or (ii) if such Member would otherwise have an Adjusted Capital Account Deficit at the end of such Fiscal Year, an amount sufficient to eliminate such Adjusted Capital Account Deficit. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to the Members pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulations Section 1.704-2. This Section 7.03(a) is intended to comply with the minimum gain chargeback requirement in such section of the Treasury Regulations and shall be interpreted consistently therewith. To the extent permitted by such section of the Treasury Regulations and for purposes of this Section 7.03(a) only, each Member's Adjusted Capital Account Deficit shall be determined prior to any other allocations pursuant to this Article VII with respect to such Fiscal Year.

(b) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Treasury Regulations, items of Company income and gain shall be specifically allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 7.03(b) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article VII have been tentatively made as if this Section 7.03(b) were not in the Agreement.

(c) Allocations Under Section 704(c) of the Code. All items of income, gain, loss, deduction, or allowance attributable to, or requiring an adjustment to the basis of, any non-cash property contributed to the capital of the Company shall be allocated among the Members in accordance with Section 704(c) of the Code so as to take account of any difference between the adjusted basis of the property to the Company for federal income tax purposes and the fair market value of the property on the date of contribution or deemed contribution.

(d) Nonrecourse Deductions. To the extent permitted by the Treasury Regulations, any Nonrecourse Deductions for any Fiscal Year or other period shall be allocated to the Members in proportion to their respective Percentage Interests.

(e) Section 754 Adjustments. Pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to the extent an adjustment to the adjusted tax

basis of any Member asset under Code Sections 734(b) or 743(b) is required to be taken into account in determining Capital Accounts shall be treated as an item of gain (if the adjustment decreases such basis) or an item of loss (if the adjustment increases such basis) and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such section of the Treasury Regulations.

7.04 Curative Allocations. The allocation set forth in Section 7.03(b) (the "Regulatory Allocations") is intended to comply with certain requirements of Treasury Regulations Section 1.704. Notwithstanding any other provisions of this Section, the Regulatory Allocations shall be taken into account in allocating other profits, losses and items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of such allocations of other profits, losses and other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

7.05 Allocation of Income and Loss in Respect of Transferred Interests.

(a) If any interest in the Company is transferred, or upon the admission or withdrawal of a Member, in accordance with the provisions of this Agreement during any calendar year, the income or loss attributable to such interest for such calendar year shall be divided and allocated between the Members based upon an interim closing of the Company's books or on a daily basis, as determined in the sole discretion of the Class A Members. For the purpose of accounting convenience and simplicity, the Company shall treat a transfer of, or any increase or decrease in, an interest in the Company which occurs at any time during a semi-monthly period (commencing with the semi-monthly period including the date hereof) as having been consummated on the first day of such semi-monthly period, regardless of when during such semi-monthly period such transfer, increase, or decrease actually occurs (e.g., sales and dispositions made during the first 15 days of any month will be deemed to have been made on the first day of the month and sales and dispositions thereafter will be deemed to have been made on the 16th day of the month).

(b) Notwithstanding any provision above to the contrary, gain or loss of the Company realized in connection with a sale or other disposition of any of the assets of the Company shall be allocated solely to the Members owning interests in the Company as of the date such sale or other disposition occurs.

ARTICLE VIII

Withdrawals, Distributions and Expenses

8.01 Withdrawals and Distributions in General. No Member shall be entitled (i) to receive distributions from the Company; or (ii) to withdraw any amount from such Member's Capital Account other than as provided in this Agreement.

8.02 Distributions.

(a) Except as set forth in Section 8.02(b) hereof, the Managing Board, in its sole and absolute discretion, may (but shall have no obligation to) make distributions to the Members. Subject to the provisions of Section 4.05 hereof, distributions, if any, made to the Members pursuant to this Section 8.02 shall be made to each of the Members in proportion to their respective Percentage Interests.

(b) Within 90 days following the end of the Fiscal Year, a Tax Distribution shall be made to each Member in respect to his or her Percentage Interests.

(c) Any distribution pursuant to Article VIII may be paid in cash or, **except with respect to any Tax Distribution which shall be paid in cash,** in kind by the Managing Board in its sole discretion.

(d) The Managing Board may cause the Company to withhold taxes from any allocation or distribution to any Member to the extent required by the Code or any other applicable law. For purposes of this Agreement, any taxes so withheld by the Company shall be deemed to be a distribution or payment to such Member, but shall not reduce the amount otherwise distributable or allocable to such Member pursuant to this Agreement, although it may reduce the Capital Account of such Members.

8.03 Distribution on Dissolution and Liquidation. In the event of the dissolution and liquidation of the Company for any reason, after the payment of or provision for creditors and other applicable law, the Company's assets shall be distributed among the Members in accordance with Section 8.02 hereof.

8.04 Deemed Sale of Assets. For all purposes of this Agreement, any property (other than cash) that is distributed or to be distributed in kind to one or more Members for a Fiscal Year (including, without limitation, all non-cash assets which shall be deemed distributed immediately prior to the dissolution and winding up of the Company so as to permit the unrealized gain or loss inherent in such assets to be allocated to the Members), shall be deemed to have been sold for cash equal to its fair market value, and the unrealized gain or loss inherent in such assets shall be treated as recognized gain or loss for purposes of determining the Net Profits and Net Loss of the Company to be allocated pursuant to Article VII hereof for such Fiscal Year.

8.05 Expenses. Except as otherwise provided in this Agreement, the

Company will be responsible for all expenses, and the allocation thereof between and among each class of Common Interests and Units, including, without limitations:

(a) all expenses incurred by the Class A Members or their affiliates in organizing the Company;

(b) all expenses related to the business of the Company and all routine administrative expenses of the Company, including the maintenance of books and records of the Company, the preparation and dispatch to the Members of checks, financial reports, tax returns and notices required pursuant to this Agreement or in connection with the holding of any meetings of the Class A Members or the Managing Board;

(c) all expenses incurred in connection with any indebtedness or guarantees of the Company or any proposed or definitive credit facility or other credit arrangement;

(d) all expenses incurred in connection with any litigation or arbitration involving the Company (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith;

(e) all expenses for indemnity or contribution payable by the Company to any Person;

(f) all expenses incurred in connection with the collection of amounts due to the Company from any Person;

(g) all expenses incurred in connection with the preparation of amendments to this Agreement;

(h) all expenses incurred in connection with the liquidation, dissolution and winding up of the Company; and

(i) **all expenses incurred directly or indirectly by Eliot I. Bernstein, Simon L. Bernstein and any other authorized party in connection with the development, registration and enforcement of all patents registered by Eliot I. Bernstein in connection the business and formation of this Company including, but not limited to, reasonable attorney's fees; and**

(j) all expenses otherwise allocated in good faith to the Company by the Class A Members or the Managing Board.

ARTICLE IX

Accounting and Records

9.01 Records and Accounting. The books and records of the Company shall reflect all Company transactions and shall be appropriate and adequate for the Company's business. The Fiscal Year of the Company for financial reporting and for federal income tax purposes shall be the calendar year.

9.02 Access to Accounting Records. All books and records of the Company shall be maintained at any office of the Company or at the Company's principal place of business, and each Class A Member, and his duly authorized representative, shall have access to them at such office of the Company and the right to inspect and copy them at reasonable times.

9.03 Tax Elections. The Managing Board shall make any federal, state and local tax elections on behalf of the Company as the Managing Board shall agree upon from time to time.

9.04 Annual Tax Information. The Managing Board shall cause the Company to deliver to each Member, **within 90 days following the close of the Company's fiscal year**, all information necessary for the preparation of such Member's federal income tax return.

9.05 Tax Matters Partner. There shall be one Tax Matters Partner designated as such who shall communicate and negotiate with the Internal Revenue Service on any tax matter on behalf of all Members and on behalf of the Company. The original designated Tax Matters Partner shall be [S Corp. Entity], who shall continue in that role until the Class A Members or the Managing Board shall designate another Class A Member for that role.

ARTICLE X

Term, Dissolution of the Company and Termination of a Member's Interest

The term of this Company began on the date the Certificate of Formation was filed with the Delaware Secretary of State and shall continue until December 31, 2049, unless dissolved or liquidated by a Majority Vote. This Company shall not be dissolved on the death, retirement, resignation, expulsion, bankruptcy or dissolution of any Member or occurrence of any other event which terminates a Member's continued membership in the Company.

ARTICLE XI

Indemnification

Why limited to Class A Members?

Class A members

11.01 Indemnity. Subject to the provisions of Section 11.03 hereof, to the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the Company, by reason of the fact that such person is or was a Class A Member, a Manager, officer, director, controlling person, employee, legal representative or agent of the Company, or is or was serving at the request of the Company as a Manager, director, officer, partner, shareholder, controlling person, employee, legal representative or agent of another limited liability company, partnership, corporation, joint venture, trust or other enterprise (a "Covered Person"), against any loss, liability, damage, claim or expenses, including attorneys' fees, judgment, fines and amounts paid in settlement ("Expenses"), actually and reasonably incurred by such Covered Person in connection with the action, suit or proceeding if such Covered Person acted in good faith and in a manner which such Covered Person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to a criminal action or proceeding, had no reasonable cause to believe such Covered Person's conduct was unlawful.

add. advisory committee member.

11.02 Indemnify for Actions By or In the Right of the Company. Subject to the provisions of Section 11.03 hereof, to the fullest extent permitted by applicable law, the Company shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the rights of this Company to procure a judgment in its favor by reason of the fact that he is or was a Covered Person, against any Expenses, actually and reasonably incurred by such Covered Person in connection with the action, suit or proceeding if such Covered Person acted in good faith and in a manner which such Covered Person reasonably believed to be in or not opposed to the best interests of this Company, and, with respect to a criminal action or proceeding, had no reasonable cause to believe such Covered Person's conduct was unlawful. Indemnification may not be made for any claim, issue or matter as to which such Covered Person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to this Company or for amounts paid in settlement to this Company, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the Covered Person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

11.03 Expenses. Any indemnification under Sections 11.01 and 11.02, as well as the advance payment of Expenses permitted under Section 11.04, unless ordered by a court, must be made by this Company only as authorized in the specific case upon a determination that indemnification of the Covered Person is proper in the circumstances. The determination must be made:

- (a) By a Majority Vote of the Class A Members or by the Managing Board, provided that, for purposes of this Section 11.03 a Majority

Vote shall only include Class A Members who were not parties to the act, suit or proceeding and, if applicable, an action of the Managing Board shall only include Managers who were not parties to the act, suit or proceeding;

(b) If a Majority Vote of the Class A Members or the Managing Board so orders, by independent legal counsel in a written opinion; or

(c) If such a Majority Vote of the Class A Members or action by the Managing Board cannot be obtained, by independent legal counsel in a written opinion.

Any obligation under this Article XI shall be provided out of and to the extent of Company assets only, and no Member or other Covered Person shall have any personal liability for any indemnification obligation.

11.04 Advance Payment of Expenses. The Expenses of a Covered Person incurred in defending a civil or criminal action, suit or proceeding may be paid by this Company as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the Covered Person to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by this Company. The provisions of this subsection do not affect any rights to advancement of Expenses to which personnel other than a Covered Person may be entitled under any contract or otherwise by law.

11.05 Other Arrangements Not Excluded. The indemnification and advancement of Expenses authorized in or ordered by a court pursuant to this Article XI:

(a) Does not exclude any other rights to which a Covered Person seeking indemnification or advancement of expenses may be entitled under the Certificate of Formation or any agreement, a Majority Vote or otherwise, for either an action in his official capacity or an action in another capacity while holding his office, ~~except that indemnification.~~ **Notwithstanding anything to the contrary herein**, unless ordered by a court pursuant to Section 11.02 above, ~~may not~~ **no indemnification shall** be made to or on behalf of any Covered Person if a final adjudication established that his acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action.

a material breach of the Confidentiality Agreement,

(b) Continues for a person who has ceased to be a Covered Person and inures to the benefit of the heirs, executors and administrators of such a Covered Person.

11.06 Insurance. The Company may purchase and maintain insurance, to the extent, in such amounts and on behalf of such Persons as the Managing Board

shall deem reasonable; this insurance may cover any liability that may be asserted against (or expenses that may be incurred by) any such Persons in connection with the activities of the Company, regardless of whether the Company would have the power to indemnify such Persons under the provisions of this Agreement. The Company may enter into indemnity contracts with Covered Persons and adopt written procedures pursuant to which arrangements are made for the funding of obligations arising under Article XI and containing such other procedures regarding indemnification (such as a requirement that an indemnified person use counsel selected by the Company) as are appropriate.

ARTICLE XII

Restructuring

Notwithstanding anything to the contrary contained in this Agreement and without limiting the generality of the voting rights of the Class A Members, the Class A Members shall have the right, in their sole discretion and without the approval of any other Members, to restructure the Company as, or transfer all or substantially all of the assets of the Company to, a corporation (a "New Corporation"), in the manner determined by the Class A Members in their sole discretion, in a transaction in which (I) each outstanding Common Interest and New Membership Interest Class, if any, of the same class is treated in the same manner, and (II) if the Common Interests and New Membership Interest Classes, if any, are converted into equity securities of the New Corporation, the relative fair market values of the equity securities into which Common Interests and New Membership Interest Classes, if any, are converted are in proportion to the amounts each of the Members would have been entitled to receive upon a liquidation of the Company pursuant to Section 8.03, and (III) if all or substantially all of the assets of the Company are transferred to a New Corporation, the Company may retain all of the equity interests in the New Corporation until such time, if any, as the Class A Members, in their sole discretion and without the approval of any other Members, elect to dissolve the Company, in which case the Members will receive the equity interests in the New Corporation in proportion to the amounts each of the Members would have been entitled to receive upon a liquidation of the Company pursuant to Section 8.03. In connection with any transaction described in this Article XII, the business of the Company may be continued by the New Corporation and if the Company has been restructured as a New Corporation and the Common Interests and New Membership Interest Classes, if any, are converted into equity securities of the New Corporation, the Common Interests and New Membership Interest Classes shall be converted into equity of the New Corporation in the manner determined by the Class A Members in their sole discretion and without the approval of any other Members.

ARTICLE XIII

Miscellaneous Provisions

13.01 Complete Agreement. This Agreement and the Certificate of Formation constitute the complete and exclusive statement of the Agreement among the Members with respect to the subject matter contained therein. This Agreement and the Certificate of Formation replace and supersede all prior agreements by and among the Members with respect to the subject matter contained herein.

13.02 Amendments. This Agreement may be amended by a Majority Vote at a meeting or by written consent of such Class A Members and, with respect to matters contemplated by Section 4.04 hereof, the Managing Board. Notwithstanding the foregoing, any amendment which shall materially and adversely affect the rights or obligations of the Class B Members or any other class of membership interest hereinafter authorized and issued by the Company shall require the separate approval of the holders of at least a majority of the interests held by such class; provided, that in no event shall such separate class approval be required where the rights or obligations of the Class A Members are similarly affected by such amendment nor shall the dilution of the Percentage Interest or Units represented by a particular class be considered to cause a material and adverse affect.

13.03 Applicable Law. The Certificate of Formation and this Agreement, and its application, shall be governed exclusively by its terms and the laws of the State of {Delaware}.

13.04 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provisions contained herein.

13.05 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be deemed invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

13.06 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements contained in this Agreement shall be binding upon and inure to the benefit of the existing Members, all new and substituted Members, and their respective designees (whether permitted by this Agreement or not), heirs, legal representatives, successors and assigns.

13.07 Power of Attorney. Each Member hereby appoints the Managing Board, or any of its members acting individually, as the true and lawful representative of such Member and attorney-in-fact, in such Member's name, place and stead:

(a) to receive and pay over to the Company on behalf of such Member, to the extent set forth in this Agreement, all funds received hereunder,

(b) to make, execute, sign, acknowledge, swear to and file: (i) a

Certificate of Formation of the Company and all amendments thereto as may be required under the Act including, without limitation, any such filing for the purpose of admitting the undersigned and others as Members and describing their initial or any increased Capital Contributions and/or Capital Accounts; (ii) any and all instruments, certificates, and other documents which may be deemed necessary or desirable to effect the winding-up and termination of the Company (including, but not limited to, a Certificate of Cancellation of the Certificate of Formation); (iii) any business certificate, fictitious name certificate, amendment thereto, or other instrument, agreement or document of any kind necessary or desirable to accomplish the business, purpose and objectives of the Company, or required by any applicable federal, state or local law; and (iv) all other filings with agencies of the federal government, of any state or local government, or of any other jurisdiction, which the Managing Board considers necessary or desirable to carry out the purposes of this Agreement.

The power of attorney hereby granted by each of the Members is coupled with an interest, is irrevocable, shall survive the transfer of the Member's interest in the Company and shall survive, and shall not be affected by, the subsequent death, disability, incapacity, incompetency, termination, bankruptcy, insolvency or dissolution of such Member. **Copies of all documents executed by the Managing Board or any Manager pursuant to this Section 13.07 shall be distributed to the Members as soon as is practicable following such execution.**

Such representative and attorney-in-fact shall not have any right, power or authority to amend or modify this Agreement when acting in such capacity, **(i) to amend or modify this Agreement, (ii) to take any action which would increase the liability of any Member hereunder or (iii) which would materially and adversely affect the rights of any Member hereunder.**

13.08 Notices. Each notice relating to this Agreement shall be in writing and delivered in person, by facsimile or by registered or certified mail, **return receipt requested**. The receipt of any notice transmitted by facsimile must be confirmed by any means acceptable in the preceding sentence to be effective, provided, however, that such a confirmation does not, in turn, have to be confirmed. All notices to the Company shall be addressed to its principal office and place of business. All notices addressed to a Member shall be addressed to such Member at the address set forth in Schedule B. Any Member may designate a new address by notice to that effect given to the Company. Unless otherwise specifically provided in this Agreement, a notice shall be deemed to have been effectively given when faxed or **three (3) business days after being** mailed by registered or certified mail to the proper address or when delivered in person.

IN WITNESS HEREOF, this Limited Liability Company Agreement is entered into as of June __, 1999.

Class A Members _____ (% Class A Member)

By: _____
Title:

IN WITNESS HEREOF, this Limited Liability Company Agreement is entered into as of June __, 1999.

Class B Members _____ (% Class B Member)

_____ (% Class B Member)

_____ (% Class B Member)

_____ (% Class B Member)

SCHEDULE A1

Class A Member's Name	Capital Contribution	Class A Member's Interest	Units	Percentage Interest
TOTAL		100.00%		100.00%

SCHEDULE A2

Class B Member's Name	Capital Contribution	Class B Member's Interest	Units	Percentage Interest
TOTAL		100.00%		100.00%

SCHEDULE B

LIMITED LIABILITY COMPANY AGREEMENT
OF
iviewit LLC
a Delaware Limited Liability Company
(the "Company")

AKJTW Comments-
6/21/99

The parties to this Limited Liability Company Agreement of the Company are each of the Members (as hereinafter defined) listed on Schedules A1 and A2, who collectively constitute all of the Members of the Company as of June __, 1999.

RECITALS

WHEREAS, as of _____, 1999, the Members agreed to become business associates and to form a business for the purposes set forth in Section 1.03 hereof and, at that time, established the value of the property to be contributed to the Company; and

WHEREAS, the Class A Members (as hereinafter defined) have since formed a limited liability company pursuant to the Delaware Limited Liability Company Act (the "Act") pursuant to a filing of a Certificate of Formation with the Secretary of State of the State of Delaware on June 11, 1999.

NOW, THEREFORE, Each of the Members wishes to enter into the Limited Liability Agreement of the Company to properly reflect their respective interests in the Company and, accordingly, the parties have agreed as follows:

ARTICLE I

General Provisions

1.01 Registered Office. The registered office of the Company in Delaware shall be The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

1.02 Other Offices. The Company has an office at 500 SE Mizner Blvd., Suite 102, Boca Raton, Florida 33432 and may have other offices that may at any time be established by the Managing Board at any place or places.

1.03 Purpose; Nature of Business Permitted; Powers. The Company is organized primarily for the object and purpose of engaging in any lawful act or activity for which limited liability companies may be formed under the Act. The Company shall possess and may exercise all the powers and privileges granted by the Act or by any other law or by this Agreement, together with any powers incidental thereto, insofar as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business purposes or activities of the Company.

General Comments:

- 1) Need to discuss the assignment of all patent rights to LLC. Patents currently in Eliot Bernstein's name. If capital contribution, Eliot's capital account needs to be credited for FMV of patents. Also may want to have LLC reimburse Eliot for some of the patent counsel fees after Stage I financing.
- 2) Confirm no "capital calls."
- 3) Confirm that Managers can be employees of the LLC. Contemplated that Eliot will be an employee on payroll after Stage I financing.
- 4) Is there another LLC?
- 5) What will happen to iviewit.com and iviewit.inc?
- 6) Let's discuss whether or not tax-free reorg between accruing company and the S corp LLC members is feasible. This is the premise of the tax plan, and should be confirmed by Praskauer.

I thought
Chris Wheeler
wanted to use
a Florida LLC

1.04 Fiscal Year. The fiscal year of the Company ("Fiscal Year") shall end on December 31 of each year.

1.05 Definitions.

(a) "Adjusted Capital Account Deficit" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which such Member is obligated to restore or is deemed to be obligated to restore pursuant to Treasury Regulations Sections 1.704-2(g) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(b) "Capital Gains Income Tax Rate" and "Ordinary Income Tax Rate" mean the highest marginal income tax rate in effect for a Fiscal Year with respect to long-term capital gains and ordinary income, respectively, for federal and [New York] State and City income tax purposes applicable to individuals (after giving effect as applicable to the deductibility of 80% of state and city income taxes for federal income tax purposes).

(c) "Class A Member" shall mean each Person set forth on Schedule A1, as amended from time to time.

(d) "Class A Member's Interest" shall mean with respect to each Class A Member the percentage interest in such class as set forth opposite each such Member's name, as amended from time to time.

(e) "Class B Member" shall mean each Person set forth on Schedule A2, as amended from time to time.

(f) "Class B Member's Interest" shall mean with respect to each Class B Member the percentage interest in such class as set forth opposite each such Member's name, as amended from time to time.

(g) "Common Interests" are the membership interests of the Company consisting of the Class A Member's Interests and the Class B Member's Interests and any New Membership Interest Class which is designated as a Common Interest by the Managing Board.

Let's discuss.
Have members from
FLA, NY, ILL and
CA.

(h) "Company Minimum Gain" shall have the meaning set forth in Treasury Regulation Section 1.704-2(b)(2).

(i) "Convertible Instruments" shall have the meaning set forth in Section 4.04.

(j) "Managing Board" means initially Eliot I. Bernstein and Simon L. Bernstein and any other individuals appointed to the Managing Board as such by the Class A Members.

(k) "Manager" means a member of the Managing Board.

(l) "Member" means a Class A Member or a Class B Member or any Person hereinafter admitted to the Company as a Member.

(m) "Net Profits" and "Net Losses" of the Company for a Fiscal Year shall mean respectively, the income or loss of the Company, determined in accordance with Section 703 of the Code, and on a basis consistent with prior periods subject to the following adjustments:

(i) any income of the Company that is exempt from federal income tax shall increase such income or decrease such loss;

(ii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as described therein pursuant to Treasury Regulations 1.704-1(b)(2)(iv)(i) shall reduce such income or increase such loss;

(iii) any item which is specially allocated pursuant to Section 7.03 shall not be taken into account in computing such income or loss;

(iv) for purposes of computing income or loss (whether realized by reason of a sale or distribution) and depreciation and amortization, the basis of any property shall be equal to the amount shown on the Company's books; and

(v) any deemed income or deemed loss for book purposes resulting from the distribution of appreciated or depreciated property shall be taken into account in computing such income or loss.

(n) "New Membership Interest Class" means any new class of membership interest in the Company created pursuant to Section 4.04 hereof.

(o) "Nonrecourse Deductions" shall have the meaning set forth in Treasury Regulations Section 1.704-2(b)(1).

Please define
"Majority Vote"
here

(p) "Percentage Interest" means the Percentage Interest of each Member as set forth opposite such Member's name on Schedules A1 and A2, each as amended from time to time.

(q) "Person" means any individual, partnership, limited liability entity, corporation, trust, or other entity.

(r) "Tax Distribution" means, with respect to any Member, an amount equal to the sum of: (i) the excess aggregate amount of Net Profit allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of long-term capital gain over the aggregate amount of Net Loss allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of capital loss, multiplied by the Capital Gains Income Tax Rate in effect for such Fiscal Year and (ii) the excess of the aggregate amount of Net Profit allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of other income (other than tax exempt income) over the aggregate amount of Net Loss allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of other loss, multiplied by the Ordinary Income Tax Rate in effect for such Fiscal Year.

(s) "Unit" is the number of Units granted to a Member as set forth opposite such Member's name on Schedules A1 and A2, each as amended from time to time.

ARTICLE II

Capital

Not all Members are contributing cash

2.01 Initial Capital. Each Member has made capital contributions, in cash, in such amounts as are set out opposite the name of each of the Members on Schedules A1 and A2 attached hereto, each as amended from time to time.

2.02 Capital Accounts. Capital Accounts shall be established and maintained for each Member on the Company's books. Such accounts shall be credited with each Member's respective capital contributions to the Company, if any, and allocable share of the Company's Net Profit and shall be debited by distributions to such Member of cash or other property and such Member's allocable share of the Company's Net Loss, and otherwise maintained, as determined by the Managing Board, in accordance with the provisions of applicable Treasury Regulations. Before decreasing an Member's Capital Account (as described above) with respect to the distribution of any property to such Member, all Member's accounts shall be adjusted, as applicable, to reflect the manner in which the unrealized income gain, loss, and deduction inherent in such property (that have not been previously reflected in the Members' Capital Accounts) would be allocated among the Members if there were a taxable disposition of such property by the Company on the date of distribution, in

accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f).

2.03 Interest. No interest shall be paid or credited to the Members on their Capital Accounts or upon any undistributed profits left on deposit with the Company.

ARTICLE III

Members

3.01 Powers. The Members shall have the power to exercise only those rights or powers granted to the Members pursuant to the express terms of this Agreement or the Act. Except as otherwise specifically provided by this Agreement or required by the Act, no Member shall have any part in the management of the Company or any authority or right in their capacity as Members to act on behalf of the Company in connection with any matter.

3.02 Other Ventures. It is expressly agreed that the Members and any affiliates, officers, directors, managers, stockholders, partners or employees of such Member, may engage in other business ventures of every nature and description, whether or not in competition with the Company, independently or with others, and neither the Company nor the Members shall have any rights in and to any independent venture or activity or the income or profits derived therefrom. **[Do we want competition with Company?]**

3.03 Actions by the Members. All actions of the Members are taken only by the Class A Members in proportion to their Class A Member's Interests at the time of the action taken. The Class A Members may vote, approve a matter or take any action by the vote of Class A Members at a meeting, in person or by proxy, or without a meeting by written consent. An action approved by the vote of Class A Members owning a majority of all of the Class A Member's Interests (a "Majority Vote") or, where otherwise specifically required in this Agreement, 2/3 of the Class A Member's Interests shall be the action of the Members. Except to the extent specifically provided herein or as otherwise required by the Act, the Class B Members shall not be entitled to any voting rights.

3.04 Meetings; Action by Written Consent. Meetings of the Class A Members, for any purpose or purposes whatsoever, may be called at any time by a Managing Board or by a Majority Vote. However, in no instance where action is authorized by written consent need a meeting of Class A Members be called or noticed. A copy of the action taken by written consent must be immediately sent to all Class A Members.

ARTICLE IV

Transfer of Interests; Redemption; Issuance of Additional Interests and Units

No competition permitted within narrow category (ask Eliot to define). Otherwise, competition OK, so long as no breach of Confidentiality Agmt. Incorporate terms of Confidentiality Agmt here, so that cross-breach exists.

Who are the Class A vs. B/C Members? I assume that Eliot, Sy and family are the Class A Members for now.

any

4.01 Personal Property; Transferee's Interest. The interest of each Member of this Company is personal property and may be transferred only in accordance with this Section 4.01. Without approval by a Majority Vote, no Member may transfer, assign, pledge or otherwise dispose of all or part of his interest in the Company. In the event ~~an~~ Member wishes to dispose of his interest, he shall notify the Class A Members who shall be under no obligation to acquire the interest, cause the Company to acquire the interest, nor to permit the sale to a third party.

4.02 Substitution of Members. If the Class A Members of the Company other than the Member proposing to dispose of his interest agree to a proposed transfer of the interest of the Member, but do not agree to admit the transferee as a Member (which consent may be withheld for any reason or for no reason whatsoever), such transferee shall have no right to participate in the management of the business and affairs of the Company or to become a Member, and shall only be entitled to its distributive share of Net Profit or Net Loss (as determined under Article VII) and distributions (as determined under Article VIII), to which the transferor Member would otherwise be entitled. If the transfer is approved by a Majority Vote and the admission of the transferee as a Member is also approved by a Majority Vote, such transferee shall have all the rights and powers and be subject to all the restrictions and liabilities of his assignor, shall become a substituted Member and, to the extent provided in this Agreement, shall have the right to participate in the management of the business and affairs of the Company.

4.03 Right of First Refusal. If a Class B Member receives a bona fide written offer (an "Offer") for the purchase of its Class B Membership Interest for a portion thereof (the "Offered Interest") and the Class A Members agree to the proposed transfer of the Offered Interest pursuant to such Offer, then during the 30-day period following approval of the transfer by the Class A Members, the Company shall have the option, but not the obligation, to purchase all, but not less than all, of the Offered Interest at the same price and on the other terms set forth in the Offer. If the Company does not exercise such option, the Class A Members shall, during the 15-day period following notice by the Company not to exercise such option, have the option, but not the obligation, to purchase all, but not less than all, of the Offered Interest at the same price and on the other terms set forth in the Offer. Such purchase, if any, shall be made by the Class A Members on a pro rata basis in proportion to their respective Class A Membership Interests. If any Class A Member elects not to purchase its proportionate share of such Offered Interest, the remaining Class A Members may elect to purchase the non-participating Class A Member's proportionate share on a pro rata basis in proportion to their Class A Membership Interests; provided that, for the purposes of this sentence, their respective Class A Membership Interests shall be determined by excluding the Class A Membership Interests of any non-participating Class A Members. If neither the Company nor the Class A Members elect to purchase the Offered Interest, the selling Class B Member may at any time during the 60-day period following receipt of notice by the Class A Members not to exercise such option, sell, pursuant to the Offer, the Offered Interest.

Can Class A Members disapprove in sale and absolute discretion?

4.04 Issuance of Additional Interests and Units. (a) The Managing Board may authorize the issuance of options, warrants or other instruments convertible into membership interests (collectively, "Convertible Instruments") or admit any Person to the Company as a Class A Member or a Class B Member or may create a new class of membership interests (a "New Membership Interest Class") and credit such newly admitted Member with a membership interest and a number of Units as the Managing Board, in its sole discretion, deems appropriate, and for consideration and on terms and conditions as it, in its sole discretion, deems appropriate; provided that, the Managing Board shall not, without prior approval by Majority Vote of the Class A Members, (i) admit any Person as a Class A Member or (ii) create any New Membership Interest Class or authorize any Convertible Instrument which adversely affects the voting rights or the priority of distributions distributed to, or Net Profits or Net Losses allocated to, any Class A Member. Subject to the provisions of this Section 4.04 and Section 13.02 hereof, the Managing Board shall have the authority, without approval of any other Members, to amend the terms of this Agreement in order to provide for such New Membership Interest Class or Convertible Instruments.

(b) Solely for the purpose of adjusting the Members' Capital Accounts, if any new Members are admitted to the Company in accordance with this Section 4.04, the book value of the Company's assets shall be adjusted to reflect the fair value, as determined by the Managing Board, based upon the capital contributions of such new Members, in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f), and the difference between fair value and book value, if any, shall be treated as gain or loss, allocable as Net Profits or Net Losses in accordance with the provisions of Sections 7.01 and 7.02.

(c) If the Company issues membership interests in accordance with this Section 4.04, the membership interests and the Percentage Interests of the Members shall be adjusted accordingly. The Managing Board shall update the Schedule(s) attached hereto to reflect such actions.

4.05 Limitations on Redemption of Capital Account. The right of any Member or the legal representatives of such Member to have distributed to such Member an amount equal to such Member's Capital Account is subject to Section 18-607 of the Act and to the provision for reserves for contingencies established in good faith by the Managing Board.

ARTICLE V

Managing Board

5.01 Appointment; Meetings; Voting; Time Commitment; Agency.

(a) The Company shall be managed by a Managing Board, initially

consisting of two (2) Managers. The number of Managers serving on the Managing Board may be increased from time to time by the Class A Members by a Majority Vote. Regular meetings of the Managers shall be held not less than quarterly on such date and time as the Managers may hereinafter designate from time to time. A special meeting of the Managers may be called at any time upon the written request of a majority of the Managers. Notice of any meeting shall state the date, place, time and who is calling the meeting and state the purpose(s) of the meeting, and shall be given to all Managers not less than three (3) business days before the date of the meeting. Notice of special meetings to discuss matters requiring more prompt action may be sent to each Manager by hand delivery, or facsimile or similar means, no less than twenty-four (24) hours before the time at which such meeting is to be held. Notwithstanding the foregoing, each Manager who is entitled to notice waives notice if before or after the meeting the Manager submits a signed waiver of notice in person or by proxy, or is present at the meeting in person or by proxy without objecting to the lack of notice prior to conclusion of the meeting. At all meetings of the Managers, a majority of the total number of Managers that would exist if there were no vacancies present in person or by proxy shall constitute a quorum for the transaction of business or of any specified item of business. The vote of a majority of the Managers present at the time of the vote, if a quorum is present at such time, shall be the act of the Managing Board. If a quorum shall not be present at any meeting of the Managers, the Managers present thereat may adjourn the meeting from time to time, until a quorum shall be present. Notice of any such adjournment shall be given to any Managers who were not present and, unless announced at the meeting, to the other Managers. In lieu of holding a meeting, the Managers may vote or otherwise take action by a consent or consents in writing setting forth the action taken, signed by all of the Managers entitled to vote and filed with the records of the Company. Any one or more Managers may participate in a meeting called pursuant to this Section 5.01(a) by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other. Participation by such means shall constitute presence in person at a meeting.

(b) Each Manager shall be appointed by the Class A Members and shall hold office until his successor has been appointed or he is removed by the Class A Members. Managers may, but need not be, Members of the Company.

(c) The Managers shall be obliged to devote only as much of their time to the Company's business as shall be reasonably required in light of the Company's business and objectives. A Manager shall perform his duties as a Manager in good faith, in a manner he reasonably believes to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

(c) Every Manager is an agent of the Company for the purpose of its business, and the act of every Manager, including the execution in the Company

name of any instrument for apparently carrying on in the usual way the business of the Company, binds the Company, unless such act is in contravention of the Certificate of Formation or this Agreement or unless the Manager so acting otherwise lacks the authority to act for the Company and the person with whom he is dealing has knowledge of the fact that he has no such authority.

5.02 Removal of Managers.

(a) The Class A Members may remove all or any lesser number of Managers with or without cause at any time.

(b) Any removal or addition of a Manager shall become effective immediately, unless specified otherwise by the Class A Members voting in favor thereof and in a notice delivered to any remaining Managers or the Manager elected to replace the removed Manager (except that it cannot be effective on a date earlier than the date such notice is delivered to the remaining or newly-elected Manager). Should a Manager be removed who is also a Class A Member or a Class B Member, such Member will continue to participate in the Company as a Member and receive his share of the Company's income, gains, losses, deductions, credits and distributions pursuant to this Agreement.

5.03 Resignation of Manager. A Manager may resign from his position on the Managing Board at any time by notice to the Class A Members. Such resignation shall be effective as set forth in such notice.

5.04 Powers of the Managing Board. (a) The Managing Board shall have the right and authority to take all actions which the Managing Board deems necessary, useful or appropriate for the day-to-day management and conduct of the Company's business.

(b) Except to the extent expressly reserved herein to the Class A Members, the Managing Board may exercise all powers of the Company and do all such lawful acts and things as are not by law or this Agreement directed or required to be exercised or done by the Members. All instruments, contracts, agreements and documents providing for the acquisition, mortgage or disposition of property of the Company shall be valid and binding on the Company if executed by one or more Managers or by officers acting within the scope of authority delegated to such officers. All instruments, contracts, agreements and documents of whatsoever type executed on behalf of the Company shall be executed in the name of the Company by one or more Managers or by officers acting within the scope of authority delegated to such officers.

(c) Without prejudice to such general powers, but subject to the same limitations and the limitations set forth in subsection 5.04(d) below, it is hereby expressly declared that the Managing Board shall have the following powers:

First - To select, add and remove all agents and employees of the Company, prescribe such powers and duties for them as may be consistent with law

and this Agreement, fix their compensation, and require from them security for faithful service.

Second - To conduct, manage and control the affairs and business of the Company, and to make such rules and regulations therefor consistent with the law and this Agreement.

Third - To change the registered office of the Company in Delaware from one location to another; to fix and locate from time to time one or more other offices of the Company; and to designate any place within or without the State of Delaware for the holding of any Members' meeting or Managing Board meetings.

Fourth - To borrow money and incur indebtedness for the purpose of the Company from Members and others, and to cause to be executed and delivered therefor, in the Company name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidence of debt and securities.

Fifth - To take any action pursuant to Section 4.04 hereof.

Sixth - Establish a record date with respect to all actions to be taken hereunder that require a record date be established, including with respect to allocations and distributions.

Seventh - Bring and defend on behalf of the Company actions and proceedings at law or in equity before any court or governmental, administrative or other regulatory agency, body or commission or otherwise.

Eighth - Execute all agreements, documents or instruments, perform all duties and powers and do all things for and on behalf of the Company in all matters necessary, desirable, convenient or incidental to the purpose of the Company.

The expression of any power or authority of the Managing Board in this Agreement shall not in any way limit or exclude any other power or authority which is not specifically or expressly set forth in this Agreement.

(d) Notwithstanding anything else herein, the following acts shall require a Majority Vote of the Class A Members: (i) any consolidation, reorganization or merger of the Company with another Person (other than a consolidation, reorganization or merger in which the Company is both the surviving entity and the Persons who were Members of the Company immediately before such consolidation, reorganization or merger continue to beneficially own at least a majority of the equity interests of the Company immediately thereafter), or any sale or other disposition by the Company of all or substantially all of its assets to any Person, including without limitation, any action pursuant to Article XII hereof; and (ii) any amendment of this Agreement pursuant to Section 13.02 hereof.

5.05 Bank Accounts. From time to time, the Managing Board may designate a person or persons, whether such persons be Members or not, to open and maintain one or more bank accounts; rent safety deposit boxes or vaults; sign checks, written directions, or other instruments to withdraw all or any part of the funds belonging to the Company and on deposit in any savings account or checking account; negotiate and purchase certificates of deposit, obtain access to the Company safety deposit box or boxes, and generally sign such forms on behalf of the Company as may be required to conduct the banking activities of the Company.

ARTICLE VI

Officers

6.01 Number; Titles; Election; Term. The Company may have one or more officers as the Managing Board shall determine from time to time. Any such officer shall have such powers and duties as may be delegated to such officer by the Managing Board. The initial officers of the Company shall be Eliot I. Bernstein as Chairman, President, Vice President, Treasurer and Secretary. Officers shall serve at the pleasure of the Managing Board and any officer may be removed at any time by the Managing Board. Any vacancy occurring in any office of the Company may be filled by act of the Managing Board.

6.02 Authority. Officers shall have such authority and perform such duties in the management of the Company that a person holding that office in a corporation customarily has or as may be determined by resolution of the Managing Board not inconsistent with the Treasury Regulations.

ARTICLE VII

Profits and Losses

7.01 Allocation of Net Profit. After giving effect to any allocation pursuant to Sections 7.03 and 7.04, Net Profit shall be allocated as follows and in the following order of priority:

(a) first, if there is a negative balance in a Capital Account of any Member, to the Capital Accounts of the Members which have negative balances, in proportion to the respective amounts of such negative balances;

(b) the balance, if any, shall be allocated to the Capital Accounts of the Members in proportion to their Percentage Interests.

7.02 Net Losses. After giving effect to any allocations pursuant to

Sections 7.03 and 7.04, Net Losses shall be allocated as follows and in the following order of priority:

(a) to the Members, pro rata, an amount equal to the excess, if any, of (i) the cumulative Net Profits allocated to the Members pursuant to Section 7.01(b) hereof, over (ii) the cumulative Net Losses allocated to the Members pursuant to this Section 7.02(a) for the current and all prior Fiscal Years;

(b) to the Members, pro rata, in proportion to their positive Capital Accounts, until such Capital Accounts have been reduced to zero; and

(c) the balance, if any, shall be allocated among the Members in proportion and to the extent that each shall bear the economic risk of loss (within the meaning of Treasury Regulations Section 1.752-2) with respect to such Net Loss.

7.03 The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Notwithstanding any other provision of this Article VII, if there is a net decrease in Company Minimum Gain during any Fiscal Year, the Members shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to the greater of (i) the portion of such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(d)(1), that is allocable to the disposition of Company property subject to Nonrecourse Liabilities or (ii) if such Member would otherwise have an Adjusted Capital Account Deficit at the end of such Fiscal Year, an amount sufficient to eliminate such Adjusted Capital Account Deficit. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to the Members pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulations Section 1.704-2. This Section 7.03(a) is intended to comply with the minimum gain chargeback requirement in such section of the Treasury Regulations and shall be interpreted consistently therewith. To the extent permitted by such section of the Treasury Regulations and for purposes of this Section 7.03(a) only, each Member's Adjusted Capital Account Deficit shall be determined prior to any other allocations pursuant to this Article VII with respect to such Fiscal Year.

(b) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Treasury Regulations, items of Company income and gain shall be specifically allocated to each such Member

in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 7.03(b) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article VII have been tentatively made as if this Section 7.03(b) were not in the Agreement.

(c) Allocations Under Section 704(c) of the Code. All items of income, gain, loss, deduction, or allowance attributable to, or requiring an adjustment to the basis of, any non-cash property contributed to the capital of the Company shall be allocated among the Members in accordance with Section 704(c) of the Code so as to take account of any difference between the adjusted basis of the property to the Company for federal income tax purposes and the fair market value of the property on the date of contribution or deemed contribution.

(d) Nonrecourse Deductions. To the extent permitted by the Treasury Regulations, any Nonrecourse Deductions for any Fiscal Year or other period shall be allocated to the Members in proportion to their respective Percentage Interests.

(e) Section 754 Adjustments. Pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to the extent an adjustment to the adjusted tax basis of any Member asset under Code Sections 734(b) or 743(b) is required to be taken into account in determining Capital Accounts shall be treated as an item of gain (if the adjustment decreases such basis) or an item of loss (if the adjustment increases such basis) and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such section of the Treasury Regulations.

7.04 Curative Allocations. The allocation set forth in Section 7.03(b) (the "Regulatory Allocations") is intended to comply with certain requirements of Treasury Regulations Section 1.704. Notwithstanding any other provisions of this Section, the Regulatory Allocations shall be taken into account in allocating other profits, losses and items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of such allocations of other profits, losses and other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

7.05 Allocation of Income and Loss in Respect of Transferred Interests.

(a) If any interest in the Company is transferred, or upon the admission or withdrawal of an Member, in accordance with the provisions of this

Agreement during any calendar year, the income or loss attributable to such interest for such calendar year shall be divided and allocated between the Members based upon an interim closing of the Company's books or on a daily basis, as determined in the sole discretion of the Class A Members. For the purpose of accounting convenience and simplicity, the Company shall treat a transfer of, or any increase or decrease in, an interest in the Company which occurs at any time during a semi-monthly period (commencing with the semi-monthly period including the date hereof) as having been consummated on the first day of such semi-monthly period, regardless of when during such semi-monthly period such transfer, increase, or decrease actually occurs (e.g., sales and dispositions made during the first 15 days of any month will be deemed to have been made on the first day of the month and sales and dispositions thereafter will be deemed to have been made on the 16th day of the month).

(b) Notwithstanding any provision above to the contrary, gain or loss of the Company realized in connection with a sale or other disposition of any of the assets of the Company shall be allocated solely to the Members owning interests in the Company as of the date such sale or other disposition occurs.

ARTICLE VIII

Withdrawals, Distributions and Expenses

8.01 Withdrawals and Distributions in General. No Member shall be entitled (i) to receive distributions from the Company; or (ii) to withdraw any amount from such Member's Capital Account other than as provided in this Agreement.

8.02 Distributions.

(a) Except as set forth in Section 8.02(b) hereof, the Managing Board, in its sole and absolute discretion, may (but shall have no obligation to) make distributions to the Members. Subject to the provisions of Section 4.05 hereof, distributions, if any, made to the Members pursuant to this Section 8.02 shall be made to each of the Members in proportion to their respective Percentage Interests.

(b) Within 90 days following the end of the Fiscal Year, a Tax Distribution shall be made to each Member in respect to his or her Percentage Interests.

(c) Any distribution pursuant to Article VIII may be paid in cash or in kind by the Managing Board in its sole discretion.

(d) The Managing Board may cause the Company to withhold

Tax distributions
need to be in cash

taxes from any allocation or distribution to any Member to the extent required by the Code or any other applicable law. For purposes of this Agreement, any taxes so withheld by the Company shall be deemed to be a distribution or payment to such Member, but shall not reduce the amount otherwise distributable or allocable to such Member pursuant to this Agreement, although it may reduce the Capital Account of such Members.

8.03 Distribution on Dissolution and Liquidation. In the event of the dissolution and liquidation of the Company for any reason, after the payment of or provision for creditors and other applicable law, the Company's assets shall be distributed among the Members in accordance with Section 8.02 hereof.

8.04 Deemed Sale of Assets. For all purposes of this Agreement, any property (other than cash) that is distributed or to be distributed in kind to one or more Members for a Fiscal Year (including, without limitation, all non-cash assets which shall be deemed distributed immediately prior to the dissolution and winding up of the Company so as to permit the unrealized gain or loss inherent in such assets to be allocated to the Members), shall be deemed to have been sold for cash equal to its fair market value, and the unrealized gain or loss inherent in such assets shall be treated as recognized gain or loss for purposes of determining the Net Profits and Net Loss of the Company to be allocated pursuant to Article VII hereof for such Fiscal Year.

8.05 Expenses. Except as otherwise provided in this Agreement, the Company will be responsible for all expenses, and the allocation thereof between and among each class of Common Interests and Units, including, without limitations:

- (a) all expenses incurred by the Class A Members or their affiliates in organizing the Company;
- (b) all expenses related to the business of the Company and all routine administrative expenses of the Company, including the maintenance of books and records of the Company, the preparation and dispatch to the Members of checks, financial reports, tax returns and notices required pursuant to this Agreement or in connection with the holding of any meetings of the Class A Members or the Managing Board;
- (c) all expenses incurred in connection with any indebtedness or guarantees of the Company or any proposed or definitive credit facility or other credit arrangement;
- (d) all expenses incurred in connection with any litigation or arbitration involving the Company (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith;
- (e) all expenses for indemnity or contribution payable by the

Include all
patent filings
and enforcement
costs.

Company to any Person;

(f) all expenses incurred in connection with the collection of amounts due to the Company from any Person;

(g) all expenses incurred in connection with the preparation of amendments to this Agreement;

(h) all expenses incurred in connection with the liquidation, dissolution and winding up of the Company; and

(i) all expenses otherwise allocated in good faith to the Company by the Class A Members or the Managing Board.

ARTICLE IX

Accounting and Records

9.01 Records and Accounting. The books and records of the Company shall reflect all Company transactions and shall be appropriate and adequate for the Company's business. The Fiscal Year of the Company for financial reporting and for federal income tax purposes shall be the calendar year.

9.02 Access to Accounting Records. All books and records of the Company shall be maintained at any office of the Company or at the Company's principal place of business, and each ~~Class A Member~~, and his duly authorized representative, shall have access to them at such office of the Company and the right to inspect and copy them at reasonable times.

9.03 Tax Elections. The Managing Board shall make any federal, state and local tax elections on behalf of the Company as the Managing Board shall agree upon from time to time.

9.04 Annual Tax Information. The Managing Board shall cause the Company to deliver to each Member all information necessary for the preparation of such Member's federal income tax return^y

within 90 days
of year end

9.05 Tax Matters Partner. There shall be one Tax Matters Partner designated as such who shall communicate and negotiate with the Internal Revenue Service on any tax matter on behalf of all Members and on behalf of the Company. The original designated Tax Matters Partner shall be [S Corp. Entity], who shall continue in that role until the Class A Members or the Managing Board shall designate another Class A Member for that role.

ARTICLE X

Term, Dissolution of the Company and Termination of a Member's Interest

The term of this Company began on the date the Certificate of Formation was filed with the Delaware Secretary of State and shall continue until December 31, 2049, unless dissolved or liquidated by a Majority Vote. This Company shall not be dissolved on the death, retirement, resignation, expulsion, bankruptcy or dissolution of any Member or occurrence of any other event which terminates a Member's continued membership in the Company.

ARTICLE XI

Indemnification

11.01 Indemnity. Subject to the provisions of Section 11.03 hereof, to the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the Company, by reason of the fact that such person is or was a Class A Member a Manager, officer, director, controlling person, employee, legal representative or agent of the Company, or is or was serving at the request of the Company as a Manager, director, officer, partner, shareholder, controlling person, employee, legal representative or agent of another limited liability company, partnership, corporation, joint venture, trust or other enterprise (a "Covered Person"), against any loss, liability, damage, claim or expenses, including attorneys' fees, judgment, fines and amounts paid in settlement ("Expenses"), actually and reasonably incurred by such Covered Person in connection with the action, suit or proceeding if such Covered Person acted in good faith and in a manner which such Covered Person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to a criminal action or proceeding, had no reasonable cause to believe such Covered Person's conduct was unlawful.

Indemnity needs to cover other Members

11.02 Indemnify for Actions By or In the Right of the Company. Subject to the provisions of Section 11.03 hereof, to the fullest extent permitted by applicable law, the Company shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the rights of this Company to procure a judgment in its favor by reason of the fact that he is or was a Covered Person, against any Expenses, actually and reasonably incurred by such Covered Person in connection with the action, suit or proceeding if such Covered Person acted in good faith and in a manner which such Covered Person reasonably believed to be in or not opposed to the best interests of this Company, and, with respect to a criminal action or proceeding, had no reasonable cause to believe such Covered Person's conduct was unlawful. Indemnification may not be made for any claim, issue or matter as to which such Covered Person has been adjudged by a court

of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to this Company or for amounts paid in settlement to this Company, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the Covered Person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

11.03 Expenses. Any indemnification under Sections 11.01 and 11.02, as well as the advance payment of Expenses permitted under Section 11.04, unless ordered by a court, must be made by this Company only as authorized in the specific case upon a determination that indemnification of the Covered Person is proper in the circumstances. The determination must be made:

- (a) By a Majority Vote of the Class A Members or by the Managing Board, provided that, for purposes of this Section 11.03 a Majority Vote shall only include Class A Members who were not parties to the act, suit or proceeding and, if applicable, an action of the Managing Board shall only include Managers who were not parties to the act, suit or proceeding;
- (b) If a Majority Vote of the Class A Members or the Managing Board so orders, by independent legal counsel in a written opinion; or
- (c) If such a Majority Vote of the Class A Members or action by the Managing Board cannot be obtained, by independent legal counsel in a written opinion.

Any obligation under this Article XI shall be provided out of and to the extent of Company assets only, and no Member or other Covered Person shall have any personal liability for any indemnification obligation.

11.04 Advance Payment of Expenses. The Expenses of a Covered Person incurred in defending a civil or criminal action, suit or proceeding may be paid by this Company as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the Covered Person to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by this Company. The provisions of this subsection do not affect any rights to advancement of Expenses to which personnel other than a Covered Person may be entitled under any contract or otherwise by law.

11.05 Other Arrangements Not Excluded. The indemnification and advancement of Expenses authorized in or ordered by a court pursuant to this Article XI:

- (a) Does not exclude any other rights to which a Covered Person seeking indemnification or advancement of expenses may be entitled

Notwithstanding anything to the contrary herein,

under the Certificate of Formation or any agreement, a Majority Vote or otherwise, for either an action in his official capacity or an action in another capacity while holding his office, ~~except that indemnification~~ unless ordered by a court pursuant to Section 11.02 above, ~~may not~~ be made to or on behalf of any Covered Person if a final adjudication established that his acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action.

a material breach of this Agreement incorporate the terms of the Confidentiality Agreement)

no indemnification will

(b) Continues for a person who has ceased to be a Covered Person and inures to the benefit of the heirs, executors and administrators of such a Covered Person.

11.06 Insurance. The Company may purchase and maintain insurance, to the extent, in such amounts and on behalf of such Persons as the Managing Board shall deem reasonable; this insurance may cover any liability that may be asserted against (or expenses that may be incurred by) any such Persons in connection with the activities of the Company, regardless of whether the Company would have the power to indemnify such Persons under the provisions of this Agreement. The Company may enter into indemnity contracts with Covered Persons and adopt written procedures pursuant to which arrangements are made for the funding of obligations arising under Article XI and containing such other procedures regarding indemnification (such as a requirement that an indemnified person use counsel selected by the Company) as are appropriate.

ARTICLE XII

Restructuring

Notwithstanding anything to the contrary contained in this Agreement and without limiting the generality of the voting rights of the Class A Members, the Class A Members shall have the right, in their sole discretion and without the approval of any other Members, to restructure the Company as, or transfer all or substantially all of the assets of the Company to, a corporation (a "New Corporation"), in the manner determined by the Class A Members in their sole discretion, in a transaction in which (I) each outstanding Common Interest and New Membership Interest Class, if any, of the same class is treated in the same manner, and (II) if the Common Interests and New Membership Interest Classes, if any, are converted into equity securities of the New Corporation, the relative fair market values of the equity securities into which Common Interests and New Membership Interest Classes, if any, are converted are in proportion to the amounts each of the Members would have been entitled to receive upon a liquidation of the Company pursuant to Section 8.03, and (III) if all or substantially all of the assets of the Company are transferred to a New Corporation, the Company may retain all of the equity interests in the New Corporation until such time, if any, as the Class A Members, in their sole discretion and without the approval of any other Members, elect to dissolve the Company, in which case the Members will receive the

equity interests in the New Corporation in proportion to the amounts each of the Members would have been entitled to receive upon a liquidation of the Company pursuant to Section 8.03. In connection with any transaction described in this Article XII, the business of the Company may be continued by the New Corporation and if the Company has been restructured as a New Corporation and the Common Interests and New Membership Interest Classes, if any, are converted into equity securities of the New Corporation, the Common Interests and New Membership Interest Classes shall be converted into equity of the New Corporation in the manner determined by the Class A Members in their sole discretion and without the approval of any other Members.

ARTICLE XIII

Miscellaneous Provisions

13.01 Complete Agreement. This Agreement and the Certificate of Formation constitute the complete and exclusive statement of the Agreement among the Members with respect to the subject matter contained therein. This Agreement and the Certificate of Formation replace and supersede all prior agreements by and among the Members with respect to the subject matter contained herein.

13.02 Amendments. This Agreement may be amended by a Majority Vote at a meeting or by written consent of such Class A Members and, with respect to matters contemplated by Section 4.04 hereof, the Managing Board. Notwithstanding the foregoing, any amendment which shall materially and adversely affect the rights or obligations of the Class B Members or any other class of membership interest hereinafter authorized and issued by the Company shall require the separate approval of the holders of at least a majority of the interests held by such class; provided, that in no event shall such separate class approval be required where the rights or obligations of the Class A Members are similarly affected by such amendment nor shall the dilution of the Percentage Interest or Units represented by a particular class be considered to cause a material and adverse affect.

OK if Class A diluted too...

13.03 Applicable Law. The Certificate of Formation and this Agreement, and its application, shall be governed exclusively by its terms and the laws of the State of [Delaware].

13.04 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provisions contained herein.

13.05 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be deemed invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

Mandatory Delaware jurisdiction?

13.06 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements contained in this Agreement shall be binding upon and inure to the benefit of the existing Members, all new and substituted Members, and their respective designees (whether permitted by this Agreement or not), heirs, legal representatives, successors and assigns.

13.07 Power of Attorney. Each Member hereby appoints the Managing Board, or any of its members acting individually, as the true and lawful representative of such Member and attorney-in-fact, in such Member's name, place and stead:

(a) to receive and pay over to the Company on behalf of such Member, to the extent set forth in this Agreement, all funds received hereunder,

(b) to make, execute, sign, acknowledge, swear to and file: (i) a Certificate of Formation of the Company and all amendments thereto as may be required under the Act including, without limitation, any such filing for the purpose of admitting the undersigned and others as Members and describing their initial or any increased Capital Contributions and/or Capital Accounts; (ii) any and all instruments, certificates, and other documents which may be deemed necessary or desirable to effect the winding-up and termination of the Company (including, but not limited to, a Certificate of Cancellation of the Certificate of Formation); (iii) any business certificate, fictitious name certificate, amendment thereto, or other instrument, agreement or document of any kind necessary or desirable to accomplish the business, purpose and objectives of the Company, or required by any applicable federal, state or local law; and (iv) all other filings with agencies of the federal government, of any state or local government, or of any other jurisdiction, which the Managing Board considers necessary or desirable to carry out the purposes of this Agreement.

POA OK, so long as does not increase Member's liability or adversely affect Member's rights. Send Members copies of all docs signed under POA.

The power of attorney hereby granted by each of the Members is coupled with an interest, is irrevocable, shall survive the transfer of the Member's interest in the Company and shall survive, and shall not be affected by, the subsequent death, disability, incapacity, incompetency, termination, bankruptcy, insolvency or dissolution of such Member.

Such representative and attorney-in-fact shall not have any right, power or authority to amend or modify this Agreement when acting in such capacity.

13.08 Notices. Each notice relating to this Agreement shall be in writing and delivered in person, by facsimile or by registered or certified mail. The receipt of any notice transmitted by facsimile must be confirmed by any means acceptable in the preceding sentence to be effective, provided, however, that such a confirmation does not, in turn, have to be confirmed. All notices to the Company shall be addressed to its principal office and place of business. All notices addressed to a Member shall be addressed to such Member at the address set forth in Schedule B. Any Member may designate a new address by notice to that effect given to the Company. Unless otherwise specifically provided in this Agreement, a notice shall be deemed to have

return receipt requested?

been effectively given when faxed or mailed by registered or certified mail to the proper address or when delivered in person.

three (3) business days after

IN WITNESS HEREOF, this Limited Liability Company Agreement is entered into as of June __, 1999.

Class A Members _____ (% Class A Member)

By: _____
Title:

IN WITNESS HEREOF, this Limited Liability Company Agreement is entered into as of June __, 1999.

Class B Members _____ (% Class B Member)

_____ (% Class B Member)

_____ (% Class B Member)

_____ (% Class B Member)

SCHEDULE A1

Class A Member's Name	Capital Contribution	Class A Member's Interest	Units	Percentage Interest
TOTAL		100.00%		100.00%

SCHEDULE A2

Class B Member's Name	Capital Contribution	Class B Member's Interest	Units	Percentage Interest
TOTAL		100.00%		100.00%

LIMITED LIABILITY COMPANY AGREEMENT
OF
iviewit LLC
a Delaware Limited Liability Company
(the "Company")

The parties to this Limited Liability Company Agreement of the Company are each of the Members (as hereinafter defined) listed on Schedules A1 and A2, who collectively constitute all of the Members of the Company as of July 7, 1999.

RECITALS

WHEREAS, on or about January, 1999, the Members agreed to become business associates and to form a business for the purposes set forth in Section 1.03 hereof and, at that time, established the value of the property to be contributed to the Company; and

WHEREAS, the Class A Members (as hereinafter defined) have since formed a limited liability company pursuant to the Delaware Limited Liability Company Act (the "Act") pursuant to a filing of a Certificate of Formation with the Secretary of State of the State of Delaware on June 11, 1999.

NOW, THEREFORE, Each of the Members wishes to enter into the Limited Liability Agreement of the Company to properly reflect their respective interests in the Company and, accordingly, the parties have agreed as follows:

ARTICLE I

General Provisions

1.01 Registered Office. The registered office of the Company in Delaware shall be The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

1.02 Other Offices. The Company has an office at 500 SE Mizner Blvd., Suite 102, Boca Raton, Florida 33432 and may have other offices that may at any time be established by the Managing Board at any place or places.

1.03 Purpose; Nature of Business Permitted; Powers. The Company is organized primarily for the object and purpose of engaging in any lawful act or activity for which limited liability companies may be formed under the Act. The Company shall possess and may exercise all the powers and privileges granted by the Act or by any other law or by this Agreement, together with any powers incidental thereto, insofar as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business purposes or activities of the Company.

1.04 Fiscal Year. The fiscal year of the Company ("Fiscal Year") shall end on December 31 of each year.

1.05 Definitions.

(a) "Adjusted Capital Account Deficit" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which such Member is obligated to restore or is deemed to be obligated to restore pursuant to Treasury Regulations Sections 1.704-2(g) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(b) "Assignment" shall mean the Assignment, to be executed by Eliot I. Bernstein to and for the benefit of the Company.

(c) "Capital Gains Income Tax Rate" and "Ordinary Income Tax Rate" mean the highest marginal income tax rate in effect for a Fiscal Year with respect to long-term capital gains and ordinary income, respectively, for federal personal income tax purposes and applicable state and/or city personal income tax purposes, if any (after giving effect as applicable to the deductibility of 80% of state and city income taxes for federal income tax purposes).

(d) "Class A Member" shall mean each Person set forth on Schedule A1, as amended from time to time.

(e) "Class A Member's Interest" shall mean with respect to each Class A Member the percentage interest in such class as set forth opposite each such Member's name, as amended from time to time.

(f) "Class B Member" shall mean each Person set forth on Schedule A2, as amended from time to time.

(g) "Class B Member's Interest" shall mean with respect to each Class B Member the percentage interest in such class as set forth opposite each such Member's name, as amended from time to time.

(h) "Common Interests" are the membership interests of the Company

consisting of the Class A Member's Interests and the Class B Member's Interests and any New Membership Interest Class which is designated as a Common Interest by the Managing Board.

(i) "Company Minimum Gain" shall have the meaning set forth in Treasury Regulation Section 1.704-2(b)(2).

(j) "Convertible Instruments" shall have the meaning set forth in Section 4.04.

(k) "Majority Vote" means the vote of the Class A Members owning a majority of all of the Class A Members' Interests.

(l) "Manager" means a member of the Managing Board.

(m) "Managing Board" means initially Eliot I. Bernstein and Simon L. Bernstein and any other individuals appointed to the Managing Board as such by the Class A Members.

(n) "Member" means a Class A Member or a Class B Member or any Person hereinafter admitted to the Company as a Member.

(o) "Net Profits" and "Net Losses" of the Company for a Fiscal Year shall mean respectively, the income or loss of the Company, determined in accordance with Section 703 of the Code, and on a basis consistent with prior periods subject to the following adjustments:

(i) any income of the Company that is exempt from federal income tax shall increase such income or decrease such loss;

(ii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as described therein pursuant to Treasury Regulations 1.704-1(b)(2)(iv)(i) shall reduce such income or increase such loss;

(iii) any item which is specially allocated pursuant to Section 7.03 shall not be taken into account in computing such income or loss;

(iv) for purposes of computing income or loss (whether realized by reason of a sale or distribution) and depreciation and amortization, the basis of any property shall be equal to the amount shown on the Company's books; and

(v) any deemed income or deemed loss for book purposes resulting from the distribution of appreciated or depreciated property shall be taken into account in computing such income or loss.

(p) "New Membership Interest Class" means any new class of membership interest in the Company created pursuant to Section 4.04 hereof.

(q) "Nonrecourse Deductions" shall have the meaning set forth in Treasury Regulations Section 1.704-2(b)(1).

(r) "Percentage Interest" means the Percentage Interest of each Member as set forth opposite such Member's name on Schedules A1 and A2, each as amended from time to time.

(s) "Person" means any individual, partnership, limited liability entity, corporation, trust, or other entity.

(t) "Tax Distribution" means, with respect to any Member, an amount equal to the sum of: (i) the excess aggregate amount of Net Profit allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of long-term capital gain over the aggregate amount of Net Loss allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of capital loss, multiplied by the Capital Gains Income Tax Rate in effect for such Fiscal Year and (ii) the excess of the aggregate amount of Net Profit allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of other income (other than tax exempt income) over the aggregate amount of Net Loss allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of other loss, multiplied by the Ordinary Income Tax Rate in effect for such Fiscal Year.

(u) "Unit" is the number of Units granted to a Member as set forth opposite such Member's name on Schedules A1 and A2, each as amended from time to time.

ARTICLE II

Capital

2.01 Capital. uvview.com, Inc., pursuant to certain transactions in connection with the Assignment, has been credited as of the date hereof with capital contributions with a value as set forth opposite its name on Schedule A1 attached hereto, as amended from time to time. Each other Member has made capital contributions, in cash, in such amount as are set forth opposite the name of each of the Members on Schedule A2 attached hereto, as amended from time to time. No Member shall be required to make any additional capital contributions after the date hereof.

2.02 Capital Accounts. Capital Accounts shall be established and maintained for each Member on the Company's books. Such accounts shall be

credited with each Member's respective capital contributions to the Company, if any, and allocable share of the Company's Net Profit and shall be debited by distributions to such Member of cash or other property and such Member's allocable share of the Company's Net Loss, and otherwise maintained, as determined by the Managing Board, in accordance with the provisions of applicable Treasury Regulations. Before decreasing an Member's Capital Account (as described above) with respect to the distribution of any property to such Member, all Member's accounts shall be adjusted, as applicable, to reflect the manner in which the unrealized income gain, loss, and deduction inherent in such property (that have not been previously reflected in the Members' Capital Accounts) would be allocated among the Members if there were a taxable disposition of such property by the Company on the date of distribution, in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f).

2.03 Interest. No interest shall be paid or credited to the Members on their Capital Accounts or upon any undistributed profits left on deposit with the Company.

ARTICLE III

Members

3.01 Powers. The Members shall have the power to exercise only those rights or powers granted to the Members pursuant to the express terms of this Agreement or the Act. Except as otherwise specifically provided by this Agreement or required by the Act, no Member shall have any part in the management of the Company or any authority or right in their capacity as Members to act on behalf of the Company in connection with any matter.

3.02 Other Ventures. It is expressly agreed that the Members and any affiliates, officers, directors, managers, stockholders, partners, members or employees of such Member, may engage in other business ventures of every nature and description, whether or not in competition with the Company, independently or with others, and neither the Company nor the Members shall have any rights in and to any independent venture or activity or the income or profits derived therefrom; provided that, none of the foregoing parties shall engage as an active participant (other than through the provision of legal services which shall be deemed not to be active participation) in any business venture relating in any manner to apparatuses and methods for producing enhanced digital images or otherwise engage in any activity which would result in a breach by such party of any confidentiality agreement entered into between such Member or such other party and the Company or its affiliates.

3.03 Actions by the Members. All actions of the Members are taken only by the Class A Members in proportion to their Class A Member's Interests at the time of the action taken. The Class A Members may vote, approve a matter or take any action by the vote of Class A Members at a meeting, in person or by proxy, or without a

meeting by written consent. An action approved by a Majority Vote or, where otherwise specifically required in this Agreement, 2/3 of the Class A Member's Interests shall be the action of the Members. Except to the extent specifically provided herein or as otherwise required by the Act, the Class B Members shall not be entitled to any voting rights.

3.04 Meetings; Action by Written Consent. Meetings of the Class A Members, for any purpose or purposes whatsoever, may be called at any time by a Managing Board or by a Majority Vote. However, in no instance where action is authorized by written consent need a meeting of Class A Members be called or noticed. A copy of the action taken by written consent must be immediately sent to all Class A Members.

ARTICLE IV

Transfer of Interests; Redemption; Issuance of Additional Interests and Units

4.01 Personal Property; Transferee's Interest. The interest of each Member of this Company is personal property and may be transferred only in accordance with this Section 4.01. Without approval (which shall not be unreasonably withheld or delayed in the case of a Class B Member) by a Majority Vote, no Member may transfer, assign, pledge or otherwise dispose of all or part of his interest in the Company. In the event any Member wishes to dispose of his interest, he shall notify the Class A Members who shall be under no obligation to acquire the interest, cause the Company to acquire the interest, nor to permit the sale to a third party.

4.02 Substitution of Members. If the Class A Members of the Company other than the Member proposing to dispose of his interest agree to a proposed transfer of the interest of the Member, but do not agree to admit the transferee as a Member (which consent may be withheld for any reason or for no reason whatsoever), such transferee shall have no right to participate in the management of the business and affairs of the Company or to become a Member, and shall only be entitled to its distributive share of Net Profit or Net Loss (as determined under Article VII) and distributions (as determined under Article VIII), to which the transferor Member would otherwise be entitled. If the transfer is approved by a Majority Vote and the admission of the transferee as a Member is also approved by a Majority Vote, such transferee shall have all the rights and powers and be subject to all the restrictions and liabilities of his assignor, shall become a substituted Member and, to the extent provided in this Agreement, shall have the right to participate in the management of the business and affairs of the Company.

4.03 Right of First Refusal. If a Class B Member receives a bona fide written offer (an "Offer") for the purchase of its Class B Membership Interest [or a portion thereof] (the "Offered Interest"), and the Class A Members by a Majority Vote pursuant to Section 4.01 hereof agree to the proposed transfer of the Offered Interest pursuant to such Offer, then during the 30-day period following approval of the transfer

by the Class A Members, the Company shall have the option, but not the obligation, to purchase all, but not less than all, of the Offered Interest at the same price and on the other terms set forth in the Offer. If the Company does not exercise such option, the Class A Members shall, during the 15-day period following notice by the Company not to exercise such option, have the option, but not the obligation, to purchase all, but not less than all, of the Offered Interest at the same price and on the other terms set forth in the Offer. Such purchase, if any, shall be made by the Class A Members on a pro rata basis in proportion to their respective Class A Membership Interests. If any Class A Member elects not to purchase its proportionate share of such Offered Interest, the remaining Class A Members may elect to purchase the non-participating Class A Member's proportionate share on a pro rata basis in proportion to their Class A Membership Interests; provided that, for the purposes of this sentence, their respective Class A Membership Interests shall be determined by excluding the Class A Membership Interests of any non-participating Class A Members. If neither the Company nor the Class A Members elect to purchase the Offered Interest, the selling Class B Member may at any time during the 60-day period following receipt of notice by the Class A Members not to exercise such option, sell, pursuant to the Offer, the Offered Interest.

4.04 Issuance of Additional Interests and Units.

(a) The Managing Board may authorize the issuance of options, warrants or other instruments convertible into membership interests (collectively, "Convertible Instruments") or admit any Person to the Company as a Class A Member or a Class B Member or may create a new class of membership interests (a "New Membership Interest Class") and credit such newly admitted Member with a membership interest and a number of Units as the Managing Board, in its sole discretion, deems appropriate, and for consideration and on terms and conditions as it, in its sole discretion, deems appropriate; provided that, the Managing Board shall not, without prior approval by Majority Vote of the Class A Members, (i) admit any Person as a Class A Member or (ii) create any New Membership Interest Class or authorize any Convertible Instrument which adversely affects the voting rights or the priority of distributions distributed to, or Net Profits or Net Losses allocated to, any Class A Member. Subject to the provisions of this Section 4.04 and Section 13.02 hereof, the Managing Board shall have the authority, without approval of any other Members, to amend the terms of this Agreement in order to provide for such New Membership Interest Class or Convertible Instruments.

(b) Solely for the purpose of adjusting the Members' Capital Accounts, if any new Members are admitted to the Company in accordance with this Section 4.04, the book value of the Company's assets shall be adjusted to reflect the fair value, as determined by the Managing Board, based upon the capital contributions of such new Members, in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f), and the difference between fair value and book value, if any, shall be treated as gain or loss, allocable as Net Profits or Net

Losses in accordance with the provisions of Sections 7.01 and 7.02.

(c) If the Company issues membership interests in accordance with this Section 4.04, the membership interests and the Percentage Interests of the Members shall be adjusted accordingly. The Managing Board shall update the Schedule(s) attached hereto to reflect such actions.

4.05 Limitations on Redemption of Capital Account. The right of any Member or the legal representatives of such Member to have distributed to such Member an amount equal to such Member's Capital Account is subject to Section 18-607 of the Act and to the provision for reserves for contingencies established in good faith by the Managing Board.

ARTICLE V

Managing Board

5.01 Appointment; Meetings; Voting; Time Commitment; Agency.

(a) The Company shall be managed by a Managing Board, initially consisting of two (2) Managers. The number of Managers serving on the Managing Board may be increased from time to time by the Class A Members by a Majority Vote. Regular meetings of the Managers shall be held not less than quarterly on such date and time as the Managers may hereinafter designate from time to time. A special meeting of the Managers may be called at any time upon the written request of a majority of the Managers. Notice of any meeting shall state the date, place, time and who is calling the meeting and state the purpose(s) of the meeting, and shall be given to all Managers not less than three (3) business days before the date of the meeting. Notice of special meetings to discuss matters requiring more prompt action may be sent to each Manager by hand delivery, or facsimile or similar means, no less than twenty-four (24) hours before the time at which such meeting is to be held. Notwithstanding the foregoing, each Manager who is entitled to notice waives notice if before or after the meeting the Manager submits a signed waiver of notice in person or by proxy, or is present at the meeting in person or by proxy without objecting to the lack of notice prior to conclusion of the meeting. At all meetings of the Managers, a majority of the total number of Managers that would exist if there were no vacancies present in person or by proxy shall constitute a quorum for the transaction of business or of any specified item of business. The vote of a majority of the Managers present at the time of the vote, if a quorum is present at such time, shall be the act of the Managing Board. If a quorum shall not be present at any meeting of the Managers, the Managers present thereat may adjourn the meeting from time to time, until a quorum shall be present. Notice of any such adjournment shall be given to any Managers who were not present and, unless announced at the meeting, to the other Managers. In lieu of holding a meeting, the Managers may vote or otherwise take action by a consent or consents in writing setting forth the action taken, signed by all of the Managers

entitled to vote and filed with the records of the Company. Any one or more Managers may participate in a meeting called pursuant to this Section 5.01(a) by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other. Participation by such means shall constitute presence in person at a meeting.

(b) Each Manager shall be appointed by the Class A Members and shall hold office until his successor has been appointed or he is removed by the Class A Members. Managers may, but need not be, Members of the Company.

(c) The Managers shall be obliged to devote only as much of their time to the Company's business as shall be reasonably required in light of the Company's business and objectives. A Manager shall perform his duties as a Manager in good faith, in a manner he reasonably believes to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

(d) Every Manager is an agent of the Company for the purpose of its business, and the act of every Manager, including the execution in the Company name of any instrument for apparently carrying on in the usual way the business of the Company, binds the Company, unless such act is in contravention of the Certificate of Formation or this Agreement or unless the Manager so acting otherwise lacks the authority to act for the Company and the person with whom he is dealing has knowledge of the fact that he has no such authority.

5.02 Removal of Managers.

(a) The Class A Members may remove all or any lesser number of Managers with or without cause at any time.

(b) Any removal or addition of a Manager shall become effective immediately, unless specified otherwise by the Class A Members voting in favor thereof and in a notice delivered to any remaining Managers or the Manager elected to replace the removed Manager (except that it cannot be effective on a date earlier than the date such notice is delivered to the remaining or newly-elected Manager). Should a Manager be removed who is also a Class A Member or a Class B Member, such Member will continue to participate in the Company as a Member and receive his share of the Company's income, gains, losses, deductions, credits and distributions pursuant to this Agreement.

5.03 Resignation of Manager. A Manager may resign from his position on the Managing Board at any time by notice to the Class A Members. Such resignation shall be effective as set forth in such notice.

5.04 Powers of the Managing Board.

(a) The Managing Board shall have the right and authority to take all actions which the Managing Board deems necessary, useful or appropriate for the day-to-day management and conduct of the Company's business.

(b) Except to the extent expressly reserved herein to the Class A Members, the Managing Board may exercise all powers of the Company and do all such lawful acts and things as are not by law or this Agreement directed or required to be exercised or done by the Members. All instruments, contracts, agreements and documents providing for the acquisition, mortgage or disposition of property of the Company shall be valid and binding on the Company if executed by one or more Managers or by officers acting within the scope of authority delegated to such officers. All instruments, contracts, agreements and documents of whatsoever type executed on behalf of the Company shall be executed in the name of the Company by one or more Managers or by officers acting within the scope of authority delegated to such officers.

(c) Without prejudice to such general powers, but subject to the same limitations and the limitations set forth in subsection 5.04(d) below, it is hereby expressly declared that the Managing Board shall have the following powers:

First - To select, add and remove all agents and employees of the Company, prescribe such powers and duties for them as may be consistent with law and this Agreement, fix their compensation, and require from them security for faithful service.

Second - To conduct, manage and control the affairs and business of the Company, and to make such rules and regulations therefor consistent with the law and this Agreement.

Third - To change the registered office of the Company in Delaware from one location to another; to fix and locate from time to time one or more other offices of the Company; and to designate any place within or without the State of Delaware for the holding of any Members' meeting or Managing Board meetings.

Fourth - To borrow money and incur indebtedness for the purpose of the Company from Members and others, and to cause to be executed and delivered therefor, in the Company name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidence of debt and securities.

Fifth - To take any action pursuant to Section 4.04 hereof.

Sixth - Establish a record date with respect to all actions to be taken hereunder that require a record date be established, including with respect to allocations and distributions.

Seventh - Bring and defend on behalf of the Company actions and

proceedings at law or in equity before any court or governmental, administrative or other regulatory agency, body or commission or otherwise.

Eighth - Execute all agreements, documents or instruments, perform all duties and powers and do all things for and on behalf of the Company in all matters necessary, desirable, convenient or incidental to the purpose of the Company.

The expression of any power or authority of the Managing Board in this Agreement shall not in any way limit or exclude any other power or authority which is not specifically or expressly set forth in this Agreement.

(d) Notwithstanding anything else herein, the following acts shall require a Majority Vote of the Class A Members: (i) any consolidation, reorganization or merger of the Company with another Person (other than a consolidation, reorganization or merger in which the Company is both the surviving entity and the Persons who were Members of the Company immediately before such consolidation, reorganization or merger continue to beneficially own at least a majority of the equity interests of the Company immediately thereafter), or any sale or other disposition by the Company of all or substantially all of its assets to any Person, including without limitation, any action pursuant to Article XII hereof; and (ii) any amendment of this Agreement pursuant to Section 13.02 hereof.

5.05 Bank Accounts. From time to time, the Managing Board may designate a person or persons, whether such persons be Members or not, to open and maintain one or more bank accounts; rent safety deposit boxes or vaults; sign checks, written directions, or other instruments to withdraw all or any part of the funds belonging to the Company and on deposit in any savings account or checking account; negotiate and purchase certificates of deposit, obtain access to the Company safety deposit box or boxes, and generally sign such forms on behalf of the Company as may be required to conduct the banking activities of the Company.

ARTICLE VI

Officers

6.01 Number; Titles; Election; Term. The Company may have one or more officers as the Managing Board shall determine from time to time. Any such officer shall have such powers and duties as may be delegated to such officer by the Managing Board. The initial officers of the Company shall be Eliot I. Bernstein as Chairman, President, Vice President, Treasurer and Secretary. Officers shall serve at the pleasure of the Managing Board and any officer may be removed at any time by the Managing Board. Any vacancy occurring in any office of the Company may be filled by act of the Managing Board.

6.02 Authority. Officers shall have such authority and perform such duties in the management of the Company that a person holding that office in a corporation customarily has or as may be determined by resolution of the Managing Board not inconsistent with the Treasury Regulations.

ARTICLE VII

Profits and Losses

7.01 Allocation of Net Profit. After giving effect to any allocation pursuant to Sections 7.03 and 7.04, Net Profit shall be allocated as follows and in the following order of priority:

(a) first, if there is a negative balance in a Capital Account of any Member, to the Capital Accounts of the Members which have negative balances, in proportion to the respective amounts of such negative balances;

(b) the balance, if any, shall be allocated to the Capital Accounts of the Members in proportion to their Percentage Interests.

7.02 Net Losses. After giving effect to any allocations pursuant to Sections 7.03 and 7.04, Net Losses shall be allocated as follows and in the following order of priority:

(a) to the Members, pro rata, an amount equal to the excess, if any, of (i) the cumulative Net Profits allocated to the Members pursuant to Section 7.01(b) hereof, over (ii) the cumulative Net Losses allocated to the Members pursuant to this Section 7.02(a) for the current and all prior Fiscal Years;

(b) to the Members, pro rata, in proportion to their positive Capital Accounts, until such Capital Accounts have been reduced to zero; and

(c) the balance, if any, shall be allocated among the Members in proportion and to the extent that each shall bear the economic risk of loss (within the meaning of Treasury Regulations Section 1.752-2) with respect to such Net Loss.

7.03 The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Notwithstanding any other provision of this Article VII, if there is a net decrease in Company Minimum Gain during any Fiscal Year, the Members shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to the greater of (i) the portion of such

Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(d)(1), that is allocable to the disposition of Company property subject to Nonrecourse Liabilities or (ii) if such Member would otherwise have an Adjusted Capital Account Deficit at the end of such Fiscal Year, an amount sufficient to eliminate such Adjusted Capital Account Deficit. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to the Members pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulations Section 1.704-2. This Section 7.03(a) is intended to comply with the minimum gain chargeback requirement in such section of the Treasury Regulations and shall be interpreted consistently therewith. To the extent permitted by such section of the Treasury Regulations and for purposes of this Section 7.03(a) only, each Member's Adjusted Capital Account Deficit shall be determined prior to any other allocations pursuant to this Article VII with respect to such Fiscal Year.

(b) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Treasury Regulations, items of Company income and gain shall be specifically allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 7.03(b) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article VII have been tentatively made as if this Section 7.03(b) were not in the Agreement.

(c) Allocations Under Section 704(c) of the Code. All items of income, gain, loss, deduction, or allowance attributable to, or requiring an adjustment to the basis of, any non-cash property contributed to the capital of the Company shall be allocated among the Members in accordance with Section 704(c) of the Code so as to take account of any difference between the adjusted basis of the property to the Company for federal income tax purposes and the fair market value of the property on the date of contribution or deemed contribution.

(d) Nonrecourse Deductions. To the extent permitted by the Treasury Regulations, any Nonrecourse Deductions for any Fiscal Year or other period shall be allocated to the Members in proportion to their respective Percentage Interests.

(e) Section 754 Adjustments. Pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to the extent an adjustment to the adjusted tax basis of any Member asset under Code Sections 734(b) or 743(b) is required to be taken into account in determining Capital Accounts shall be treated as an

item of gain (if the adjustment decreases such basis) or an item of less (if the adjustment increases such basis) and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such section of the Treasury Regulations.

7.04 Curative Allocations. The allocation set forth in Section 7.03(b) (the "Regulatory Allocations") is intended to comply with certain requirements of Treasury Regulations Section 1.704. Notwithstanding any other provisions of this Section, the Regulatory Allocations shall be taken into account in allocating other profits, losses and items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of such allocations of other profits, losses and other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

7.05 Allocation of Income and Loss in Respect of Transferred Interests.

(a) If any interest in the Company is transferred, or upon the admission or withdrawal of an Member, in accordance with the provisions of this Agreement during any calendar year, the income or loss attributable to such interest for such calendar year shall be divided and allocated between the Members based upon an interim closing of the Company's books or on a daily basis, as determined in the sole discretion of the Class A Members. For the purpose of accounting convenience and simplicity, the Company shall treat a transfer of, or any increase or decrease in, an interest in the Company which occurs at any time during a semi-monthly period (commencing with the semi-monthly period including the date hereof) as having been consummated on the first day of such semi-monthly period, regardless of when during such semi-monthly period such transfer, increase, or decrease actually occurs (e.g., sales and dispositions made during the first 15 days of any month will be deemed to have been made on the first day of the month and sales and dispositions thereafter will be deemed to have been made on the 16th day of the month).

(b) Notwithstanding any provision above to the contrary, gain or loss of the Company realized in connection with a sale or other disposition of any of the assets of the Company shall be allocated solely to the Members owning interests in the Company as of the date such sale or other disposition occurs.

ARTICLE VIII

Withdrawals, Distributions and Expenses

8.01 Withdrawals and Distributions in General. No Member shall be

entitled (i) to receive distributions from the Company; or (ii) to withdraw any amount from such Member's Capital Account other than as provided in this Agreement.

8.02 Distributions.

(a) Except as set forth in Section 8.02(b) hereof, the Managing Board, in its sole and absolute discretion, may (but shall have no obligation to) make distributions to the Members. Subject to the provisions of Section 4.05 hereof, distributions, if any, made to the Members pursuant to this Section 8.02 shall be made to each of the Members in proportion to their respective Percentage Interests.

(b) Within 90 days following the end of the Fiscal Year, a Tax Distribution shall be made to each Member in respect to his or her Percentage Interests.

(c) Any distribution pursuant to Article VIII may be paid in cash or, except with respect to any Tax Distribution which shall be paid in cash, in kind by the Managing Board in its sole discretion.

(d) The Managing Board may cause the Company to withhold taxes from any allocation or distribution to any Member to the extent required by the Code or any other applicable law. For purposes of this Agreement, any taxes so withheld by the Company shall be deemed to be a distribution or payment to such Member, but shall not reduce the amount otherwise distributable or allocable to such Member pursuant to this Agreement, although it may reduce the Capital Account of such Members.

8.03 Distribution on Dissolution and Liquidation. In the event of the dissolution and liquidation of the Company for any reason, after the payment of or provision for creditors and other applicable law, the Company's assets shall be distributed among the Members in accordance with Section 8.02 hereof.

8.04 Deemed Sale of Assets. For all purposes of this Agreement, any property (other than cash) that is distributed or to be distributed in kind to one or more Members for a Fiscal Year (including, without limitation, all non-cash assets which shall be deemed distributed immediately prior to the dissolution and winding up of the Company so as to permit the unrealized gain or loss inherent in such assets to be allocated to the Members), shall be deemed to have been sold for cash equal to its fair market value, and the unrealized gain or loss inherent in such assets shall be treated as recognized gain or loss for purposes of determining the Net Profits and Net Loss of the Company to be allocated pursuant to Article VII hereof for such Fiscal Year.

8.05 Expenses. Except as otherwise provided in this Agreement, the Company will be responsible for all expenses, and the allocation thereof between and among each class of Common Interests and Units, including, without limitations:

- (a) all expenses incurred by the Class A Members or their affiliates in organizing the Company;
- (b) all expenses related to the business of the Company and all routine administrative expenses of the Company, including the maintenance of books and records of the Company, the preparation and dispatch to the Members of checks, financial reports, tax returns and notices required pursuant to this Agreement or in connection with the holding of any meetings of the Class A Members or the Managing Board;
- (c) all expenses incurred in connection with any indebtedness or guarantees of the Company or any proposed or definitive credit facility or other credit arrangement;
- (d) all expenses incurred in connection with any litigation or arbitration involving the Company (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith;
- (e) all expenses for indemnity or contribution payable by the Company to any Person;
- (f) all expenses incurred in connection with the collection of amounts due to the Company from any Person;
- (g) all expenses incurred in connection with the preparation of amendments to this Agreement;
- (h) all expenses incurred in connection with the liquidation, dissolution and winding up of the Company; and
- (i) all expenses incurred directly or indirectly by Eliot I. Bernstein, Simon L. Bernstein and any other authorized party in connection with the development, registration and enforcement of all patents registered by Eliot I. Bernstein in connection the business and formation of this Company including, but not limited to, reasonable attorney's fees; and
- (j) all expenses otherwise allocated in good faith to the Company by the Class A Members or the Managing Board.

ARTICLE IX

Accounting and Records

9.01 Records and Accounting. The books and records of the Company shall reflect all Company transactions and shall be appropriate and adequate for the Company's business. The Fiscal Year of the Company for financial reporting and for federal income tax purposes shall be the calendar year.

9.02 Access to Accounting Records. All books and records of the Company shall be maintained at any office of the Company or at the Company's principal place of business, and each Member, and his duly authorized representative, shall have access to them at such office of the Company and the right to inspect and copy them at reasonable times.

9.03 Tax Elections. The Managing Board shall make any federal, state and local tax elections on behalf of the Company as the Managing Board shall agree upon from time to time.

9.04 Annual Tax Information. The Managing Board shall cause the Company to deliver to each Member, within 90 days following the close of the Company's fiscal year, all information necessary for the preparation of such Member's federal income tax return.

9.05 Tax Matters Partner. There shall be one Tax Matters Partner designated as such who shall communicate and negotiate with the Internal Revenue Service on any tax matter on behalf of all Members and on behalf of the Company. The original designated Tax Matters Partner shall be [S Corp. Entity], who shall continue in that role until the Class A Members or the Managing Board shall designate another Class A Member for that role.

ARTICLE X

Term, Dissolution of the Company and Termination of a Member's Interest

The term of this Company began on the date the Certificate of Formation was filed with the Delaware Secretary of State and shall continue until December 31, 2049, unless dissolved or liquidated by a Majority Vote. This Company shall not be dissolved on the death, retirement, resignation, expulsion, bankruptcy or dissolution of any Member or occurrence of any other event which terminates a Member's continued membership in the Company.

ARTICLE XI

Indemnification

11.01 Indemnity. Subject to the provisions of Section 11.03 hereof, to

the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the Company, by reason of the fact that such person is or was a Class A Member, a Manager, officer, director, controlling person, employee, legal representative, advisory committee member or agent of the Company, or is or was serving at the request of the Company as a Manager, director, officer, partner, controlling person, employee, legal representative, advisory committee member or agent of another limited liability company, partnership, corporation, joint venture, trust or other enterprise (a "Covered Person"), against any loss, liability, damage, claim or expenses, including attorneys' fees, judgment, fines and amounts paid in settlement ("Expenses"), actually and reasonably incurred by such Covered Person in connection with the action, suit or proceeding if such Covered Person acted in good faith and in a manner which such Covered Person reasonably believed to be in or not opposed to the best interests of the Company, such act was not prohibited by Section 3.02 hereof and, with respect to a criminal action or proceeding, had no reasonable cause to believe such Covered Person's conduct was unlawful.

11.02 Indemnify for Actions By or In the Right of the Company. Subject to the provisions of Section 11.03 hereof, to the fullest extent permitted by applicable law, the Company shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the rights of this Company to procure a judgment in its favor by reason of the fact that he is or was a Covered Person, against any Expenses, actually and reasonably incurred by such Covered Person in connection with the action, suit or proceeding if such Covered Person acted in good faith and in a manner which such Covered Person reasonably believed to be in or not opposed to the best interests of this Company, and, with respect to a criminal action or proceeding, had no reasonable cause to believe such Covered Person's conduct was unlawful. Indemnification may not be made for any claim, issue or matter as to which such Covered Person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to this Company or for amounts paid in settlement to this Company, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the Covered Person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

11.03 Expenses. Any indemnification under Sections 11.01 and 11.02, as well as the advance payment of Expenses permitted under Section 11.04, unless ordered by a court, must be made by this Company only as authorized in the specific case upon a determination that indemnification of the Covered Person is proper in the circumstances. The determination must be made:

- (a) By a Majority Vote of the Class A Members or by the Managing Board, provided that, for purposes of this Section 11.03 a Majority

Vote shall only include Class A Members who were not parties to the act, suit or proceeding and, if applicable, an action of the Managing Board shall only include Managers who were not parties to the act, suit or proceeding;

(b) If a Majority Vote of the Class A Members or the Managing Board so orders, by independent legal counsel in a written opinion; or

(c) If such a Majority Vote of the Class A Members or action by the Managing Board cannot be obtained, by independent legal counsel in a written opinion.

Any obligation under this Article XI shall be provided out of and to the extent of Company assets only, and no Member or other Covered Person shall have any personal liability for any indemnification obligation.

11.04 Advance Payment of Expenses. The Expenses of a Covered Person incurred in defending a civil or criminal action, suit or proceeding may be paid by this Company as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the Covered Person to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by this Company. The provisions of this subsection do not affect any rights to advancement of Expenses to which personnel other than a Covered Person may be entitled under any contract or otherwise by law.

11.05 Other Arrangements Not Excluded. The indemnification and advancement of Expenses authorized in or ordered by a court pursuant to this Article XI:

(a) Does not exclude any other rights to which a Covered Person seeking indemnification or advancement of expenses may be entitled under the Certificate of Formation or any agreement, a Majority Vote or otherwise, for either an action in his official capacity or an action in another capacity while holding his office. Notwithstanding anything to the contrary herein, unless ordered by a court pursuant to Section 11.02 above, no indemnification shall be made to or on behalf of any Covered Person if a final adjudication established that his acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action.

(b) Continues for a person who has ceased to be a Covered Person and inures to the benefit of the heirs, executors and administrators of such a Covered Person.

11.06 Insurance. The Company may purchase and maintain insurance, to the extent, in such amounts and on behalf of such Persons as the Managing Board shall deem reasonable; this insurance may cover any liability that may be asserted

against (or expenses that may be incurred by) any such Persons in connection with the activities of the Company, regardless of whether the Company would have the power to indemnify such Persons under the provisions of this Agreement. The Company may enter into indemnity contracts with Covered Persons and adopt written procedures pursuant to which arrangements are made for the funding of obligations arising under Article XI and containing such other procedures regarding indemnification (such as a requirement that an indemnified person use counsel selected by the Company) as are appropriate.

ARTICLE XII

Restructuring

Notwithstanding anything to the contrary contained in this Agreement and without limiting the generality of the voting rights of the Class A Members, the Class A Members shall have the right, in their sole discretion and without the approval of any other Members, to restructure the Company as, or transfer all or substantially all of the assets of the Company to, a corporation (a "New Corporation"), in the manner determined by the Class A Members in their sole discretion, in a transaction in which (I) each outstanding Common Interest and New Membership Interest Class, if any, of the same class is treated in the same manner, and (II) if the Common Interests and New Membership Interest Classes, if any, are converted into equity securities of the New Corporation, the relative fair market values of the equity securities into which Common Interests and New Membership Interest Classes, if any, are converted are in proportion to the amounts each of the Members would have been entitled to receive upon a liquidation of the Company pursuant to Section 8.03, and (III) if all or substantially all of the assets of the Company are transferred to a New Corporation, the Company may retain all of the equity interests in the New Corporation until such time, if any, as the Class A Members, in their sole discretion and without the approval of any other Members, elect to dissolve the Company, in which case the Members will receive the equity interests in the New Corporation in proportion to the amounts each of the Members would have been entitled to receive upon a liquidation of the Company pursuant to Section 8.03. In connection with any transaction described in this Article XII, the business of the Company may be continued by the New Corporation and if the Company has been restructured as a New Corporation and the Common Interests and New Membership Interest Classes, if any, are converted into equity securities of the New Corporation, the Common Interests and New Membership Interest Classes shall be converted into equity of the New Corporation in the manner determined by the Class A Members in their sole discretion and without the approval of any other Members.

ARTICLE XIII

Miscellaneous Provisions

13.01 Complete Agreement. This Agreement and the Certificate of Formation constitute the complete and exclusive statement of the Agreement among the Members with respect to the subject matter contained therein. This Agreement and the Certificate of Formation replace and supersede all prior agreements by and among the Members with respect to the subject matter contained herein.

13.02 Amendments. This Agreement may be amended by a Majority Vote at a meeting or by written consent of such Class A Members and, with respect to matters contemplated by Section 4.04 hereof, the Managing Board. Notwithstanding the foregoing, any amendment which shall materially and adversely affect the rights or obligations of the Class B Members or any other class of membership interest hereinafter authorized and issued by the Company shall require the separate approval of the holders of at least a majority of the interests held by such class; provided, that in no event shall such separate class approval be required where the rights or obligations of the Class A Members are similarly affected by such amendment nor shall the dilution of the Percentage Interest or Units represented by a particular class be considered to cause a material and adverse affect.

13.03 Special Buy-Back Provision. If any Member or any affiliates, officers, directors, managers, stockholders, members or employees of such Member engages in any activity prohibited by Section 3.02 hereof which results in an adjudicated material breach of any applicable confidentiality agreement, the Company may, but shall not be obligated to, purchase such Member's Class A or Class B Membership Interest, as applicable, for an amount equal to the lesser of the value of such Member's positive Capital Account, if any, or such Member's initial Capital Contribution.

13.04 Applicable Law. The Certificate of Formation and this Agreement, and its application, shall be governed exclusively by its terms and the laws of the State of Delaware.

13.05 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provisions contained herein.

13.06 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be deemed invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

13.07 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements contained in this Agreement shall be binding upon and inure to the benefit of the existing Members, all new and substituted Members, and their respective designees (whether permitted by this Agreement or not), heirs, legal representatives, successors and assigns.

13.08 Power of Attorney. Each Member hereby appoints the Managing Board, or any of its members acting individually, as the true and lawful representative of such Member and attorney-in-fact, in such Member's name, place and stead:

(a) to receive and pay over to the Company on behalf of such Member, to the extent set forth in this Agreement, all funds received hereunder,

(b) to make, execute, sign, acknowledge, swear to and file: (i) a Certificate of Formation of the Company and all amendments thereto as may be required under the Act including, without limitation, any such filing for the purpose of admitting the undersigned and others as Members and describing their initial or any increased Capital Contributions and/or Capital Accounts; (ii) any and all instruments, certificates, and other documents which may be deemed necessary or desirable to effect the winding-up and termination of the Company (including, but not limited to, a Certificate of Cancellation of the Certificate of Formation); (iii) any business certificate, fictitious name certificate, amendment thereto, or other instrument, agreement or document of any kind necessary or desirable to accomplish the business, purpose and objectives of the Company, or required by any applicable federal, state or local law; and (iv) all other filings with agencies of the federal government, of any state or local government, or of any other jurisdiction, which the Managing Board considers necessary or desirable to carry out the purposes of this Agreement.

The power of attorney hereby granted by each of the Members is coupled with an interest, is irrevocable, shall survive the transfer of the Member's interest in the Company and shall survive, and shall not be affected by, the subsequent death, disability, incapacity, incompetency, termination, bankruptcy, insolvency or dissolution of such Member. Copies of all documents executed by the Managing Board or any Manager pursuant to this Section 13.08 shall be distributed to the Members as soon as is practicable following such execution.

Such representative and attorney-in-fact shall not have any right, power or authority when acting in such capacity, (i) to amend or modify this Agreement, (ii) to take any action which would increase the liability of any Member hereunder or (iii) which would materially and adversely affect the rights of any Member hereunder.

13.09 Notices. Each notice relating to this Agreement shall be in writing and delivered in person, by facsimile or by registered or certified mail, return receipt requested. The receipt of any notice transmitted by facsimile must be confirmed by any means acceptable in the preceding sentence to be effective, provided, however, that such a confirmation does not, in turn, have to be confirmed. All notices to the Company shall be addressed to its principal office and place of business. All notices addressed to a Member shall be addressed to such Member at the address set forth in Schedule B. Any Member may designate a new address by notice to that effect given to the Company. Unless otherwise specifically provided in this Agreement, a notice shall be deemed to have been effectively given when faxed or three (3) business days after

being mailed by registered or certified mail to the proper address or when delivered in person.

IN WITNESS HEREOF, this Limited Liability Company Agreement is entered into as of July 7, 1999.

Class A Members

uview.com, Inc.

(100% Class A Member)

By: Eliot I. Bernstein
Title: President

IN WITNESS HEREOF, this Limited Liability Company Agreement is entered into as of July 7, 1999.

Class B Members

Proskauer Rose LLP

(25% Class B Member)

By:
Title:

New Media Holding, Inc. (25% Class B Member)

By: Title:

(25% Class B Member)
By: Jude Rosario

By: Zakiral Shirajee (25% Class B Member)

SCHEDULE A1

Class A Member's Name	Capital Contribution Value	Class A Member's Interest	Units	Percentage Interest
uview.com, Inc.	\$25,206.50	100.00%	504,130	91.00%
TOTAL	\$25,206.50	100.00%	504,130	91.00%

SCHEDULE A2

Class B Member's Name	Capital Contribution	Class B Member's Interest	Units	Percentage Interest
Proskauer Rose LLP	\$625.00	25.00%	12,500	2.25%
New Media Holding, Inc.	\$625.00	25.00%	12,500	2.25%
Jude Rosario	\$625.00	25.00%	12,500	2.25%
Zakiral Shirajee	\$625.00	25.00%	12,500	2.25%
TOTAL	\$2,500.00	100.00%	50,000	9.00%

Author: "iviewit" <alps@netline.net> at -FABRIK/Internet
Date: 7/6/99 7:40 AM
Priority: Normal
Receipt Requested
TO: EpsteinA at AHJTW
Subject:

----- Message Contents -----

From: iviewit
Date: Tue, Jul 6, 1999 7:40 AM
To: EpsteinA
Alan - Proskauer is waiting for your approval on a corporate document.
Please call Mara Robbins ASAP if you have any changes or call her so she
can send out the final stock issues, etc.

Eliot

Received: from 204.117.219.2 by powell.fabrik.com
with SMTP (Fabrik F07.3-000)
id SINN.13785614@powell.fabrik.com ; Tue, 6 Jul 1999 07:47:12 -0700
Received: from alps [208.21.53.10] by moesha.
(SMTPD32-4.06) id A677B9170162; Tue, 06 Jul 1999 10:45:11 EDT
Return-Receipt-To: "iviewit" <alps@netline.net>
From: "iviewit" <alps@netline.net>
To: <epsteina@armstronghirsch.com>
Subject:
Date: Tue, 6 Jul 1999 10:40:33 -0400
Message-ID: <000a01bec7bd\$8adae420\$0a3515d0@netline.net>
MIME-Version: 1.0
Content-Type: multipart/alternative;
boundary="-----_NextPart_000_000B_01BEC79C.03C94420"
X-Priority: 3 (Normal)
X-MSMail-Priority: Normal
X-Mailer: Microsoft Outlook CWS, Build 9.0.2416 (9.0.2910.0)
Importance: Normal
X-MimeOLE: Produced By Microsoft MimeOLE V5.00.2314.1300
Disposition-Notification-To: "iviewit" <alps@netline.net>

Content-Type: text/plain;
charset="Windows-1252"
Content-Transfer-Encoding: 7bit

Content-Type: text/html;
charset="Windows-1252"

Content-Transfer-Encoding: quoted-printable

LIMITED LIABILITY COMPANY AGREEMENT
OF
iviewit LLC
a Delaware Limited Liability Company
(the "Company")

The parties to this Limited Liability Company Agreement of the Company are each of the Members (as hereinafter defined) listed on Schedules A1 and A2, who collectively constitute all of the Members of the Company as of June __, 1999.

RECITALS

WHEREAS, on or about January, 1999, the Members agreed to become business associates and to form a business for the purposes set forth in Section 1.03 hereof and, at that time, established the value of the property to be contributed to the Company; and

WHEREAS, the Class A Members (as hereinafter defined) have since formed a limited liability company pursuant to the Delaware Limited Liability Company Act (the "Act") pursuant to a filing of a Certificate of Formation with the Secretary of State of the State of Delaware on June 11, 1999.

NOW, THEREFORE, Each of the Members wishes to enter into the Limited Liability Agreement of the Company to properly reflect their respective interests in the Company and, accordingly, the parties have agreed as follows:

ARTICLE I

General Provisions

1.01 Registered Office. The registered office of the Company in Delaware shall be The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

1.02 Other Offices. The Company has an office at 500 SE Mizner Blvd., Suite 102, Boca Raton, Florida 33432 and may have other offices that may at any time be established by the Managing Board at any place or places.

1.03 Purpose; Nature of Business Permitted; Powers. The Company is organized primarily for the object and purpose of engaging in any lawful act or activity for which limited liability companies may be formed under the Act. The Company shall possess and may exercise all the powers and privileges granted by the Act or by any other law or by this Agreement, together with any powers incidental thereto, insofar as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business purposes or activities of the Company.

1.04 Fiscal Year. The fiscal year of the Company ("Fiscal Year") shall end on December 31 of each year.

1.05 Definitions.

(a) "Adjusted Capital Account Deficit" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which such Member is obligated to restore or is deemed to be obligated to restore pursuant to Treasury Regulations Sections 1.704-2(g) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(b) **"Assignment" shall mean the Assignment, dated of even date herewith by uview.com, Inc. to and for the benefit of the Company.**

(c) "Capital Gains Income Tax Rate" and "Ordinary Income Tax Rate" mean the highest marginal income tax rate in effect for a Fiscal Year with respect to long-term capital gains and ordinary income, respectively, for federal personal income tax purposes and applicable state and/or city personal income tax purposes, if any (after giving effect as applicable to the deductibility of 80% of state and city income taxes for federal income tax purposes).

~~(e)~~(d) "Class A Member" shall mean each Person set forth on Schedule A1, as amended from time to time.

~~(d)~~(e) "Class A Member's Interest" shall mean with respect to each Class A Member the percentage interest in such class as set forth opposite each such Member's name, as amended from time to time.

~~(e)~~(f) "Class B Member" shall mean each Person set forth on Schedule A2, as amended from time to time.

~~(f)~~(g) "Class B Member's Interest" shall mean with respect to each Class B Member the percentage interest in such class as set forth opposite each such Member's name, as amended from time to time.

~~(g)~~(h) "Common Interests" are the membership interests of the Company

consisting of the Class A Member's Interests and the Class B Member's Interests and any New Membership Interest Class which is designated as a Common Interest by the Managing Board.

~~(h)~~(i) "Company Minimum Gain" shall have the meaning set forth in Treasury Regulation Section 1.704-2(b)(2).

~~(i)~~(j) "Convertible Instruments" shall have the meaning set forth in Section 4.04.

~~(j)~~(k) "Majority Vote" means the vote of the Class A Members owning a majority of all of the Class A Members' Interests.

~~(k)~~(l) "Manager" means a member of the Managing Board.

~~(l)~~(m) "Managing Board" means initially Eliot I. Bernstein and Simon L. Bernstein and any other individuals appointed to the Managing Board as such by the Class A Members.

~~(m)~~(n) "Member" means a Class A Member or a Class B Member or any Person hereinafter admitted to the Company as a Member.

~~(n)~~(o) "Net Profits" and "Net Losses" of the Company for a Fiscal Year shall mean respectively, the income or loss of the Company, determined in accordance with Section 703 of the Code, and on a basis consistent with prior periods subject to the following adjustments:

(i) any income of the Company that is exempt from federal income tax shall increase such income or decrease such loss;

(ii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as described therein pursuant to Treasury Regulations 1.704-1(b)(2)(iv)(i) shall reduce such income or increase such loss;

(iii) any item which is specially allocated pursuant to Section 7.03 shall not be taken into account in computing such income or loss;

(iv) for purposes of computing income or loss (whether realized by reason of a sale or distribution) and depreciation and amortization, the basis of any property shall be equal to the amount shown on the Company's books; and

(v) any deemed income or deemed loss for book purposes resulting from the distribution of appreciated or depreciated property shall be taken into account in computing such income or loss.

(e)(p) "New Membership Interest Class" means any new class of membership interest in the Company created pursuant to Section 4.04 hereof.

(p)(q) "Nonrecourse Deductions" shall have the meaning set forth in Treasury Regulations Section 1.704-2(b)(1).

(q)(r) "Percentage Interest" means the Percentage Interest of each Member as set forth opposite such Member's name on Schedules A1 and A2, each as amended from time to time.

(r)(s) "Person" means any individual, partnership, limited liability entity, corporation, trust, or other entity.

(s)(t) "Tax Distribution" means, with respect to any Member, an amount equal to the sum of: (i) the excess aggregate amount of Net Profit allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of long-term capital gain over the aggregate amount of Net Loss allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of capital loss, multiplied by the Capital Gains Income Tax Rate in effect for such Fiscal Year and (ii) the excess of the aggregate amount of Net Profit allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of other income (other than tax exempt income) over the aggregate amount of Net Loss allocated to such Member for the current and all prior Fiscal Years in respect of the Unit that consists of other loss, multiplied by the Ordinary Income Tax Rate in effect for such Fiscal Year.

(t)(u) "Unit" is the number of Units granted to a Member as set forth opposite such Member's name on Schedules A1 and A2, each as amended from time to time.

ARTICLE II

Capital

2.01 Capital. ~~Each~~ **uvview.com, Inc., pursuant to certain transactions in connection with the Assignment, has been credited as of the date hereof with capital contributions with a value as set forth opposite its name on Schedule A1 attached hereto, as amended from time to time.** Each other Member has made capital contributions, in cash or property, with, ~~in~~ such values **amounts** as are set forth opposite the name of each of the Members on Schedules A1 and **Schedule** A2 attached hereto, each as amended from time to time. No Member shall be required to make any additional capital contributions after the date hereof.

2.02 Capital Accounts. Capital Accounts shall be established and

maintained for each Member on the Company's books. Such accounts shall be credited with each Member's respective capital contributions to the Company, if any, and allocable share of the Company's Net Profit and shall be debited by distributions to such Member of cash or other property and such Member's allocable share of the Company's Net Loss, and otherwise maintained, as determined by the Managing Board, in accordance with the provisions of applicable Treasury Regulations. Before decreasing an Member's Capital Account (as described above) with respect to the distribution of any property to such Member, all Member's accounts shall be adjusted, as applicable, to reflect the manner in which the unrealized income gain, loss, and deduction inherent in such property (that have not been previously reflected in the Members' Capital Accounts) would be allocated among the Members if there were a taxable disposition of such property by the Company on the date of distribution, in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f).

2.03 Interest. No interest shall be paid or credited to the Members on their Capital Accounts or upon any undistributed profits left on deposit with the Company.

ARTICLE III

Members

3.01 Powers. The Members shall have the power to exercise only those rights or powers granted to the Members pursuant to the express terms of this Agreement or the Act. Except as otherwise specifically provided by this Agreement or required by the Act, no Member shall have any part in the management of the Company or any authority or right in their capacity as Members to act on behalf of the Company in connection with any matter.

3.02 Other Ventures. It is expressly agreed that the Members and any affiliates, officers, directors, managers, stockholders, partners, members or employees of such Member, may engage in other business ventures of every nature and description, whether or not in competition with the Company, independently or with others, and neither the Company nor the Members shall have any rights in and to any independent venture or activity or the income or profits derived therefrom; provided that, none of the foregoing parties shall engage as an active participant in any other **(other than through the provision of legal services which shall be deemed not to be active participation) in any** business venture relating **in any manner** to apparatuses and methods for producing enhanced digital images or otherwise engage in any activity which would result in a breach by such party of any confidentiality agreement entered into between such Member or such other party and the Company or its affiliates.

3.03 Actions by the Members. All actions of the Members are taken only by the Class A Members in proportion to their Class A Member's Interests at the time of the action taken. The Class A Members may vote, approve a matter or take any

action by the vote of Class A Members at a meeting, in person or by proxy, or without a meeting by written consent. An action approved by a Majority Vote or, where otherwise specifically required in this Agreement, 2/3 of the Class A Member's Interests shall be the action of the Members. Except to the extent specifically provided herein or as otherwise required by the Act, the Class B Members shall not be entitled to any voting rights.

3.04 Meetings; Action by Written Consent. Meetings of the Class A Members, for any purpose or purposes whatsoever, may be called at any time by a Managing Board or by a Majority Vote. However, in no instance where action is authorized by written consent need a meeting of Class A Members be called or noticed. A copy of the action taken by written consent must be immediately sent to all Class A Members.

ARTICLE IV

Transfer of Interests; Redemption; Issuance of Additional Interests and Units

4.01 Personal Property; Transferee's Interest. The interest of each Member of this Company is personal property and may be transferred only in accordance with this Section 4.01. Without approval (which shall not be unreasonably withheld or delayed in the case of a Class B Member) by a Majority Vote, no Member may transfer, assign, pledge or otherwise dispose of all or part of his interest in the Company. In the event any Member wishes to dispose of his interest, he shall notify the Class A Members who shall be under no obligation to acquire the interest, cause the Company to acquire the interest, nor to permit the sale to a third party.

4.02 Substitution of Members. If the Class A Members of the Company other than the Member proposing to dispose of his interest agree to a proposed transfer of the interest of the Member, but do not agree to admit the transferee as a Member (which consent may be withheld for any reason or for no reason whatsoever), such transferee shall have no right to participate in the management of the business and affairs of the Company or to become a Member, and shall only be entitled to its distributive share of Net Profit or Net Loss (as determined under Article VII) and distributions (as determined under Article VIII), to which the transferor Member would otherwise be entitled. If the transfer is approved by a Majority Vote and the admission of the transferee as a Member is also approved by a Majority Vote, such transferee shall have all the rights and powers and be subject to all the restrictions and liabilities of his assignor, shall become a substituted Member and, to the extent provided in this Agreement, shall have the right to participate in the management of the business and affairs of the Company.

4.03 Right of First Refusal. If a Class B Member receives a bona fide written offer (an "Offer") for the purchase of its Class B Membership Interest [or a portion thereof] (the "Offered Interest"), and the Class A Members by a Majority Vote pursuant to Section 4.01 hereof agree to the proposed transfer of the Offered Interest

pursuant to such Offer, then during the 30-day period following approval of the transfer by the Class A Members, the Company shall have the option, but not the obligation, to purchase all, but not less than all, of the Offered Interest at the same price and on the other terms set forth in the Offer. If the Company does not exercise such option, the Class A Members shall, during the 15-day period following notice by the Company not to exercise such option, have the option, but not the obligation, to purchase all, but not less than all, of the Offered Interest at the same price and on the other terms set forth in the Offer. Such purchase, if any, shall be made by the Class A Members on a pro rata basis in proportion to their respective Class A Membership Interests. If any Class A Member elects not to purchase its proportionate share of such Offered Interest, the remaining Class A Members may elect to purchase the non-participating Class A Member's proportionate share on a pro rata basis in proportion to their Class A Membership Interests; provided that, for the purposes of this sentence, their respective Class A Membership Interests shall be determined by excluding the Class A Membership Interests of any non-participating Class A Members. If neither the Company nor the Class A Members elect to purchase the Offered Interest, the selling Class B Member may at any time during the 60-day period following receipt of notice by the Class A Members not to exercise such option, sell, pursuant to the Offer, the Offered Interest.

4.04 Issuance of Additional Interests and Units.

(a) The Managing Board may authorize the issuance of options, warrants or other instruments convertible into membership interests (collectively, "Convertible Instruments") or admit any Person to the Company as a Class A Member or a Class B Member or may create a new class of membership interests (a "New Membership Interest Class") and credit such newly admitted Member with a membership interest and a number of Units as the Managing Board, in its sole discretion, deems appropriate, and for consideration and on terms and conditions as it, in its sole discretion, deems appropriate; provided that, the Managing Board shall not, without prior approval by Majority Vote of the Class A Members, (i) admit any Person as a Class A Member or (ii) create any New Membership Interest Class or authorize any Convertible Instrument which adversely affects the voting rights or the priority of distributions distributed to, or Net Profits or Net Losses allocated to, any Class A Member. Subject to the provisions of this Section 4.04 and Section 13.02 hereof, the Managing Board shall have the authority, without approval of any other Members, to amend the terms of this Agreement in order to provide for such New Membership Interest Class or Convertible Instruments.

(b) Solely for the purpose of adjusting the Members' Capital Accounts, if any new Members are admitted to the Company in accordance with this Section 4.04, the book value of the Company's assets shall be adjusted to reflect the fair value, as determined by the Managing Board, based upon the capital contributions of such new Members, in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f), and the difference between fair value and book value, if any, shall be treated as gain or loss, allocable as Net Profits or Net

Losses in accordance with the provisions of Sections 7.01 and 7.02.

(c) If the Company issues membership interests in accordance with this Section 4.04, the membership interests and the Percentage Interests of the Members shall be adjusted accordingly. The Managing Board shall update the Schedule(s) attached hereto to reflect such actions.

4.05 Limitations on Redemption of Capital Account. The right of any Member or the legal representatives of such Member to have distributed to such Member an amount equal to such Member's Capital Account is subject to Section 18-607 of the Act and to the provision for reserves for contingencies established in good faith by the Managing Board.

ARTICLE V

Managing Board

5.01 Appointment; Meetings; Voting; Time Commitment; Agency.

(a) The Company shall be managed by a Managing Board, initially consisting of two (2) Managers. The number of Managers serving on the Managing Board may be increased from time to time by the Class A Members by a Majority Vote. Regular meetings of the Managers shall be held not less than quarterly on such date and time as the Managers may hereinafter designate from time to time. A special meeting of the Managers may be called at any time upon the written request of a majority of the Managers. Notice of any meeting shall state the date, place, time and who is calling the meeting and state the purpose(s) of the meeting, and shall be given to all Managers not less than three (3) business days before the date of the meeting. Notice of special meetings to discuss matters requiring more prompt action may be sent to each Manager by hand delivery, or facsimile or similar means, no less than twenty-four (24) hours before the time at which such meeting is to be held. Notwithstanding the foregoing, each Manager who is entitled to notice waives notice if before or after the meeting the Manager submits a signed waiver of notice in person or by proxy, or is present at the meeting in person or by proxy without objecting to the lack of notice prior to conclusion of the meeting. At all meetings of the Managers, a majority of the total number of Managers that would exist if there were no vacancies present in person or by proxy shall constitute a quorum for the transaction of business or of any specified item of business. The vote of a majority of the Managers present at the time of the vote, if a quorum is present at such time, shall be the act of the Managing Board. If a quorum shall not be present at any meeting of the Managers, the Managers present thereat may adjourn the meeting from time to time, until a quorum shall be present. Notice of any such adjournment shall be given to any Managers who were not present and, unless announced at the meeting, to the other Managers. In lieu of holding a meeting, the Managers may vote or otherwise take action by a consent or consents in writing setting forth the action taken, signed by all of the Managers

entitled to vote and filed with the records of the Company. Any one or more Managers may participate in a meeting called pursuant to this Section 5.01(a) by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other. Participation by such means shall constitute presence in person at a meeting.

(b) Each Manager shall be appointed by the Class A Members and shall hold office until his successor has been appointed or he is removed by the Class A Members. Managers may, but need not be, Members of the Company.

(c) The Managers shall be obliged to devote only as much of their time to the Company's business as shall be reasonably required in light of the Company's business and objectives. A Manager shall perform his duties as a Manager in good faith, in a manner he reasonably believes to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

(d) Every Manager is an agent of the Company for the purpose of its business, and the act of every Manager, including the execution in the Company name of any instrument for apparently carrying on in the usual way the business of the Company, binds the Company, unless such act is in contravention of the Certificate of Formation or this Agreement or unless the Manager so acting otherwise lacks the authority to act for the Company and the person with whom he is dealing has knowledge of the fact that he has no such authority.

5.02 Removal of Managers.

(a) The Class A Members may remove all or any lesser number of Managers with or without cause at any time.

(b) Any removal or addition of a Manager shall become effective immediately, unless specified otherwise by the Class A Members voting in favor thereof and in a notice delivered to any remaining Managers or the Manager elected to replace the removed Manager (except that it cannot be effective on a date earlier than the date such notice is delivered to the remaining or newly-elected Manager). Should a Manager be removed who is also a Class A Member or a Class B Member, such Member will continue to participate in the Company as a Member and receive his share of the Company's income, gains, losses, deductions, credits and distributions pursuant to this Agreement.

5.03 Resignation of Manager. A Manager may resign from his position on the Managing Board at any time by notice to the Class A Members. Such resignation shall be effective as set forth in such notice.

5.04 Powers of the Managing Board.

(a) The Managing Board shall have the right and authority to take all actions which the Managing Board deems necessary, useful or appropriate for the day-to-day management and conduct of the Company's business.

(b) Except to the extent expressly reserved herein to the Class A Members, the Managing Board may exercise all powers of the Company and do all such lawful acts and things as are not by law or this Agreement directed or required to be exercised or done by the Members. All instruments, contracts, agreements and documents providing for the acquisition, mortgage or disposition of property of the Company shall be valid and binding on the Company if executed by one or more Managers or by officers acting within the scope of authority delegated to such officers. All instruments, contracts, agreements and documents of whatsoever type executed on behalf of the Company shall be executed in the name of the Company by one or more Managers or by officers acting within the scope of authority delegated to such officers.

(c) Without prejudice to such general powers, but subject to the same limitations and the limitations set forth in subsection 5.04(d) below, it is hereby expressly declared that the Managing Board shall have the following powers:

First - To select, add and remove all agents and employees of the Company, prescribe such powers and duties for them as may be consistent with law and this Agreement, fix their compensation, and require from them security for faithful service.

Second - To conduct, manage and control the affairs and business of the Company, and to make such rules and regulations therefor consistent with the law and this Agreement.

Third - To change the registered office of the Company in Delaware from one location to another; to fix and locate from time to time one or more other offices of the Company; and to designate any place within or without the State of Delaware for the holding of any Members' meeting or Managing Board meetings.

Fourth - To borrow money and incur indebtedness for the purpose of the Company from Members and others, and to cause to be executed and delivered therefor, in the Company name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidence of debt and securities.

Fifth - To take any action pursuant to Section 4.04 hereof.

Sixth - Establish a record date with respect to all actions to be taken hereunder that require a record date be established, including with respect to allocations and distributions.

Seventh - Bring and defend on behalf of the Company actions and proceedings at law or in equity before any court or governmental, administrative or other regulatory agency, body or commission or otherwise.

Eighth - Execute all agreements, documents or instruments, perform all duties and powers and do all things for and on behalf of the Company in all matters necessary, desirable, convenient or incidental to the purpose of the Company.

The expression of any power or authority of the Managing Board in this Agreement shall not in any way limit or exclude any other power or authority which is not specifically or expressly set forth in this Agreement.

(d) Notwithstanding anything else herein, the following acts shall require a Majority Vote of the Class A Members: (i) any consolidation, reorganization or merger of the Company with another Person (other than a consolidation, reorganization or merger in which the Company is both the surviving entity and the Persons who were Members of the Company immediately before such consolidation, reorganization or merger continue to beneficially own at least a majority of the equity interests of the Company immediately thereafter), or any sale or other disposition by the Company of all or substantially all of its assets to any Person, including without limitation, any action pursuant to Article XII hereof; and (ii) any amendment of this Agreement pursuant to Section 13.02 hereof.

5.05 Bank Accounts. From time to time, the Managing Board may designate a person or persons, whether such persons be Members or not, to open and maintain one or more bank accounts; rent safety deposit boxes or vaults; sign checks, written directions, or other instruments to withdraw all or any part of the funds belonging to the Company and on deposit in any savings account or checking account; negotiate and purchase certificates of deposit, obtain access to the Company safety deposit box or boxes, and generally sign such forms on behalf of the Company as may be required to conduct the banking activities of the Company.

ARTICLE VI

Officers

6.01 Number; Titles; Election; Term. The Company may have one or more officers as the Managing Board shall determine from time to time. Any such officer shall have such powers and duties as may be delegated to such officer by the Managing Board. The initial officers of the Company shall be Eliot I. Bernstein as Chairman, President, Vice President, Treasurer and Secretary. Officers shall serve at the pleasure of the Managing Board and any officer may be removed at any time by the Managing Board. Any vacancy occurring in any office of the Company may be filled by

act of the Managing Board.

6.02 Authority. Officers shall have such authority and perform such duties in the management of the Company that a person holding that office in a corporation customarily has or as may be determined by resolution of the Managing Board not inconsistent with the Treasury Regulations.

ARTICLE VII

Profits and Losses

7.01 Allocation of Net Profit. After giving effect to any allocation pursuant to Sections 7.03 and 7.04, Net Profit shall be allocated as follows and in the following order of priority:

- (a) first, if there is a negative balance in a Capital Account of any Member, to the Capital Accounts of the Members which have negative balances, in proportion to the respective amounts of such negative balances;
- (b) the balance, if any, shall be allocated to the Capital Accounts of the Members in proportion to their Percentage Interests.

7.02 Net Losses. After giving effect to any allocations pursuant to Sections 7.03 and 7.04, Net Losses shall be allocated as follows and in the following order of priority:

- (a) to the Members, pro rata, an amount equal to the excess, if any, of (i) the cumulative Net Profits allocated to the Members pursuant to Section 7.01(b) hereof, over (ii) the cumulative Net Losses allocated to the Members pursuant to this Section 7.02(a) for the current and all prior Fiscal Years;
- (b) to the Members, pro rata, in proportion to their positive Capital Accounts, until such Capital Accounts have been reduced to zero; and
- (c) the balance, if any, shall be allocated among the Members in proportion and to the extent that each shall bear the economic risk of loss (within the meaning of Treasury Regulations Section 1.752-2) with respect to such Net Loss.

7.03 The following special allocations shall be made in the following order:

- (a) Minimum Gain Chargeback. Notwithstanding any other provision of this Article VII, if there is a net decrease in Company Minimum Gain during any Fiscal Year, the Members shall be specially allocated items of

Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to the greater of (i) the portion of such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(d)(1), that is allocable to the disposition of Company property subject to Nonrecourse Liabilities or (ii) if such Member would otherwise have an Adjusted Capital Account Deficit at the end of such Fiscal Year, an amount sufficient to eliminate such Adjusted Capital Account Deficit. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to the Members pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulations Section 1.704-2. This Section 7.03(a) is intended to comply with the minimum gain chargeback requirement in such section of the Treasury Regulations and shall be interpreted consistently therewith. To the extent permitted by such section of the Treasury Regulations and for purposes of this Section 7.03(a) only, each Member's Adjusted Capital Account Deficit shall be determined prior to any other allocations pursuant to this Article VII with respect to such Fiscal Year.

(b) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Treasury Regulations, items of Company income and gain shall be specifically allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 7.03(b) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article VII have been tentatively made as if this Section 7.03(b) were not in the Agreement.

(c) Allocations Under Section 704(c) of the Code. All items of income, gain, loss, deduction, or allowance attributable to, or requiring an adjustment to the basis of, any non-cash property contributed to the capital of the Company shall be allocated among the Members in accordance with Section 704(c) of the Code so as to take account of any difference between the adjusted basis of the property to the Company for federal income tax purposes and the fair market value of the property on the date of contribution or deemed contribution.

(d) Nonrecourse Deductions. To the extent permitted by the Treasury Regulations, any Nonrecourse Deductions for any Fiscal Year or other period shall be allocated to the Members in proportion to their respective Percentage Interests.

(e) Section 754 Adjustments. Pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to the extent an adjustment to the adjusted tax

basis of any Member asset under Code Sections 734(b) or 743(b) is required to be taken into account in determining Capital Accounts shall be treated as an item of gain (if the adjustment decreases such basis) or an item of less (if the adjustment increases such basis) and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such section of the Treasury Regulations.

7.04 Curative Allocations. The allocation set forth in Section 7.03(b) (the "Regulatory Allocations") is intended to comply with certain requirements of Treasury Regulations Section 1.704. Notwithstanding any other provisions of this Section, the Regulatory Allocations shall be taken into account in allocating other profits, losses and items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of such allocations of other profits, losses and other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

7.05 Allocation of Income and Loss in Respect of Transferred Interests.

(a) If any interest in the Company is transferred, or upon the admission or withdrawal of an Member, in accordance with the provisions of this Agreement during any calendar year, the income or loss attributable to such interest for such calendar year shall be divided and allocated between the Members based upon an interim closing of the Company's books or on a daily basis, as determined in the sole discretion of the Class A Members. For the purpose of accounting convenience and simplicity, the Company shall treat a transfer of, or any increase or decrease in, an interest in the Company which occurs at any time during a semi-monthly period (commencing with the semi-monthly period including the date hereof) as having been consummated on the first day of such semi-monthly period, regardless of when during such semi-monthly period such transfer, increase, or decrease actually occurs (e.g., sales and dispositions made during the first 15 days of any month will be deemed to have been made on the first day of the month and sales and dispositions thereafter will be deemed to have been made on the 16th day of the month).

(b) Notwithstanding any provision above to the contrary, gain or loss of the Company realized in connection with a sale or other disposition of any of the assets of the Company shall be allocated solely to the Members owning interests in the Company as of the date such sale or other disposition occurs.

ARTICLE VIII

Withdrawals, Distributions and Expenses

8.01 Withdrawals and Distributions in General. No Member shall be entitled (i) to receive distributions from the Company; or (ii) to withdraw any amount from such Member's Capital Account other than as provided in this Agreement.

8.02 Distributions.

(a) Except as set forth in Section 8.02(b) hereof, the Managing Board, in its sole and absolute discretion, may (but shall have no obligation to) make distributions to the Members. Subject to the provisions of Section 4.05 hereof, distributions, if any, made to the Members pursuant to this Section 8.02 shall be made to each of the Members in proportion to their respective Percentage Interests.

(b) Within 90 days following the end of the Fiscal Year, a Tax Distribution shall be made to each Member in respect to his or her Percentage Interests.

(c) Any distribution pursuant to Article VIII may be paid in cash or, except with respect to any Tax Distribution which shall be paid in cash, in kind by the Managing Board in its sole discretion.

(d) The Managing Board may cause the Company to withhold taxes from any allocation or distribution to any Member to the extent required by the Code or any other applicable law. For purposes of this Agreement, any taxes so withheld by the Company shall be deemed to be a distribution or payment to such Member, but shall not reduce the amount otherwise distributable or allocable to such Member pursuant to this Agreement, although it may reduce the Capital Account of such Members.

8.03 Distribution on Dissolution and Liquidation. In the event of the dissolution and liquidation of the Company for any reason, after the payment of or provision for creditors and other applicable law, the Company's assets shall be distributed among the Members in accordance with Section 8.02 hereof.

8.04 Deemed Sale of Assets. For all purposes of this Agreement, any property (other than cash) that is distributed or to be distributed in kind to one or more Members for a Fiscal Year (including, without limitation, all non-cash assets which shall be deemed distributed immediately prior to the dissolution and winding up of the Company so as to permit the unrealized gain or loss inherent in such assets to be allocated to the Members), shall be deemed to have been sold for cash equal to its fair market value, and the unrealized gain or loss inherent in such assets shall be treated as recognized gain or loss for purposes of determining the Net Profits and Net Loss of the Company to be allocated pursuant to Article VII hereof for such Fiscal Year.

8.05 Expenses. Except as otherwise provided in this Agreement, the Company will be responsible for all expenses, and the allocation thereof between and

among each class of Common Interests and Units, including, without limitations:

- (a) all expenses incurred by the Class A Members or their affiliates in organizing the Company;
- (b) all expenses related to the business of the Company and all routine administrative expenses of the Company, including the maintenance of books and records of the Company, the preparation and dispatch to the Members of checks, financial reports, tax returns and notices required pursuant to this Agreement or in connection with the holding of any meetings of the Class A Members or the Managing Board;
- (c) all expenses incurred in connection with any indebtedness or guarantees of the Company or any proposed or definitive credit facility or other credit arrangement;
- (d) all expenses incurred in connection with any litigation or arbitration involving the Company (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith;
- (e) all expenses for indemnity or contribution payable by the Company to any Person;
- (f) all expenses incurred in connection with the collection of amounts due to the Company from any Person;
- (g) all expenses incurred in connection with the preparation of amendments to this Agreement;
- (h) all expenses incurred in connection with the liquidation, dissolution and winding up of the Company; and
- (i) all expenses incurred directly or indirectly by Eliot I. Bernstein, Simon L. Bernstein and any other authorized party in connection with the development, registration and enforcement of all patents registered by Eliot I. Bernstein in connection the business and formation of this Company including, but not limited to, reasonable attorney's fees; and
- (j) all expenses otherwise allocated in good faith to the Company by the Class A Members or the Managing Board.

ARTICLE IX

Accounting and Records

9.01 Records and Accounting. The books and records of the Company shall reflect all Company transactions and shall be appropriate and adequate for the Company's business. The Fiscal Year of the Company for financial reporting and for federal income tax purposes shall be the calendar year.

9.02 Access to Accounting Records. All books and records of the Company shall be maintained at any office of the Company or at the Company's principal place of business, and each Member, and his duly authorized representative, shall have access to them at such office of the Company and the right to inspect and copy them at reasonable times.

9.03 Tax Elections. The Managing Board shall make any federal, state and local tax elections on behalf of the Company as the Managing Board shall agree upon from time to time.

9.04 Annual Tax Information. The Managing Board shall cause the Company to deliver to each Member, within 90 days following the close of the Company's fiscal year, all information necessary for the preparation of such Member's federal income tax return.

9.05 Tax Matters Partner. There shall be one Tax Matters Partner designated as such who shall communicate and negotiate with the Internal Revenue Service on any tax matter on behalf of all Members and on behalf of the Company. The original designated Tax Matters Partner shall be [S Corp. Entity], who shall continue in that role until the Class A Members or the Managing Board shall designate another Class A Member for that role.

ARTICLE X

Term, Dissolution of the Company and Termination of a Member's Interest

The term of this Company began on the date the Certificate of Formation was filed with the Delaware Secretary of State and shall continue until December 31, 2049, unless dissolved or liquidated by a Majority Vote. This Company shall not be dissolved on the death, retirement, resignation, expulsion, bankruptcy or dissolution of any Member or occurrence of any other event which terminates a Member's continued membership in the Company.

ARTICLE XI

Indemnification

11.01 Indemnity. Subject to the provisions of Section 11.03 hereof, to the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the Company, by reason of the fact that such person is or was a Class A Member, a Manager, officer, director, controlling person, employee, legal representative, advisory committee member or agent of the Company, or is or was serving at the request of the Company as a Manager, director, officer, partner, controlling person, employee, legal representative, advisory committee member or agent of another limited liability company, partnership, corporation, joint venture, trust or other enterprise (a "Covered Person"), against any loss, liability, damage, claim or expenses, including attorneys' fees, judgment, fines and amounts paid in settlement ("Expenses"), actually and reasonably incurred by such Covered Person in connection with the action, suit or proceeding if such Covered Person acted in good faith and in a manner which such Covered Person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to a criminal action or proceeding, had no reasonable cause to believe such Covered Person's conduct was unlawful.

11.02 Indemnify for Actions By or In the Right of the Company. Subject to the provisions of Section 11.03 hereof, to the fullest extent permitted by applicable law, the Company shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the rights of this Company to procure a judgment in its favor by reason of the fact that he is or was a Covered Person, against any Expenses, actually and reasonably incurred by such Covered Person in connection with the action, suit or proceeding if such Covered Person acted in good faith and in a manner which such Covered Person reasonably believed to be in or not opposed to the best interests of this Company, and, with respect to a criminal action or proceeding, had no reasonable cause to believe such Covered Person's conduct was unlawful. Indemnification may not be made for any claim, issue or matter as to which such Covered Person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to this Company or for amounts paid in settlement to this Company, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the Covered Person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

11.03 Expenses. Any indemnification under Sections 11.01 and 11.02, as well as the advance payment of Expenses permitted under Section 11.04, unless ordered by a court, must be made by this Company only as authorized in the specific case upon a determination that indemnification of the Covered Person is proper in the circumstances. The determination must be made:

- (a) By a Majority Vote of the Class A Members or by the Managing Board, provided that, for purposes of this Section 11.03 a Majority

Vote shall only include Class A Members who were not parties to the act, suit or proceeding and, if applicable, an action of the Managing Board shall only include Managers who were not parties to the act, suit or proceeding;

(b) If a Majority Vote of the Class A Members or the Managing Board so orders, by independent legal counsel in a written opinion; or

(c) If such a Majority Vote of the Class A Members or action by the Managing Board cannot be obtained, by independent legal counsel in a written opinion.

Any obligation under this Article XI shall be provided out of and to the extent of Company assets only, and no Member or other Covered Person shall have any personal liability for any indemnification obligation.

11.04 Advance Payment of Expenses. The Expenses of a Covered Person incurred in defending a civil or criminal action, suit or proceeding may be paid by this Company as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the Covered Person to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by this Company. The provisions of this subsection do not affect any rights to advancement of Expenses to which personnel other than a Covered Person may be entitled under any contract or otherwise by law.

11.05 Other Arrangements Not Excluded. The indemnification and advancement of Expenses authorized in or ordered by a court pursuant to this Article XI:

(a) Does not exclude any other rights to which a Covered Person seeking indemnification or advancement of expenses may be entitled under the Certificate of Formation or any agreement, a Majority Vote or otherwise, for either an action in his official capacity or an action in another capacity while holding his office. Notwithstanding anything to the contrary herein, unless ordered by a court pursuant to Section 11.02 above, no indemnification shall be made to or on behalf of any Covered Person if a final adjudication established that his acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action.

(b) Continues for a person who has ceased to be a Covered Person and inures to the benefit of the heirs, executors and administrators of such a Covered Person.

11.06 Insurance. The Company may purchase and maintain insurance, to the extent, in such amounts and on behalf of such Persons as the Managing Board shall deem reasonable; this insurance may cover any liability that may be asserted

against (or expenses that may be incurred by) any such Persons in connection with the activities of the Company, regardless of whether the Company would have the power to indemnify such Persons under the provisions of this Agreement. The Company may enter into indemnity contracts with Covered Persons and adopt written procedures pursuant to which arrangements are made for the funding of obligations arising under Article XI and containing such other procedures regarding indemnification (such as a requirement that an indemnified person use counsel selected by the Company) as are appropriate.

ARTICLE XII

Restructuring

Notwithstanding anything to the contrary contained in this Agreement and without limiting the generality of the voting rights of the Class A Members, the Class A Members shall have the right, in their sole discretion and without the approval of any other Members, to restructure the Company as, or transfer all or substantially all of the assets of the Company to, a corporation (a "New Corporation"), in the manner determined by the Class A Members in their sole discretion, in a transaction in which (I) each outstanding Common Interest and New Membership Interest Class, if any, of the same class is treated in the same manner, and (II) if the Common Interests and New Membership Interest Classes, if any, are converted into equity securities of the New Corporation, the relative fair market values of the equity securities into which Common Interests and New Membership Interest Classes, if any, are converted are in proportion to the amounts each of the Members would have been entitled to receive upon a liquidation of the Company pursuant to Section 8.03, and (III) if all or substantially all of the assets of the Company are transferred to a New Corporation, the Company may retain all of the equity interests in the New Corporation until such time, if any, as the Class A Members, in their sole discretion and without the approval of any other Members, elect to dissolve the Company, in which case the Members will receive the equity interests in the New Corporation in proportion to the amounts each of the Members would have been entitled to receive upon a liquidation of the Company pursuant to Section 8.03. In connection with any transaction described in this Article XII, the business of the Company may be continued by the New Corporation and if the Company has been restructured as a New Corporation and the Common Interests and New Membership Interest Classes, if any, are converted into equity securities of the New Corporation, the Common Interests and New Membership Interest Classes shall be converted into equity of the New Corporation in the manner determined by the Class A Members in their sole discretion and without the approval of any other Members.

ARTICLE XIII

Miscellaneous Provisions

13.01 Complete Agreement. This Agreement and the Certificate of Formation constitute the complete and exclusive statement of the Agreement among the Members with respect to the subject matter contained therein. This Agreement and the Certificate of Formation replace and supersede all prior agreements by and among the Members with respect to the subject matter contained herein.

13.02 Amendments. This Agreement may be amended by a Majority Vote at a meeting or by written consent of such Class A Members and, with respect to matters contemplated by Section 4.04 hereof, the Managing Board. Notwithstanding the foregoing, any amendment which shall materially and adversely affect the rights or obligations of the Class B Members or any other class of membership interest hereinafter authorized and issued by the Company shall require the separate approval of the holders of at least a majority of the interests held by such class; provided, that in no event shall such separate class approval be required where the rights or obligations of the Class A Members are similarly affected by such amendment nor shall the dilution of the Percentage Interest or Units represented by a particular class be considered to cause a material and adverse affect.

13.03 Special Buy-Back Provision. If any Member or any affiliates, officers, directors, managers, stockholders, members or employees of such Member engages in any activity prohibited by Section 3.02 hereof which results in an adjudicated material breach of any applicable confidentiality agreement, the Company may, but shall not be obligated to, purchase such Member's Class A or Class B Membership Interest, as applicable, for an amount equal to the lesser of the value of such Member's positive Capital Account, if any, or such Member's initial Capital Contribution.

13.04 Applicable Law. The Certificate of Formation and this Agreement, and its application, shall be governed exclusively by its terms and the laws of the State of Delaware.

13.05 13.05 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provisions contained herein.

13.05 13.06 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be deemed invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

13.06 13.07 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements contained in this Agreement shall be binding upon and inure to the benefit of the existing Members, all new and substituted Members, and their respective designees (whether permitted by this Agreement or not),

heirs, legal representatives, successors and assigns.

~~43.07~~ **13.08** Power of Attorney. Each Member hereby appoints the Managing Board, or any of its members acting individually, as the true and lawful representative of such Member and attorney-in-fact, in such Member's name, place and stead:

(a) to receive and pay over to the Company on behalf of such Member, to the extent set forth in this Agreement, all funds received hereunder,

(b) to make, execute, sign, acknowledge, swear to and file: (i) a Certificate of Formation of the Company and all amendments thereto as may be required under the Act including, without limitation, any such filing for the purpose of admitting the undersigned and others as Members and describing their initial or any increased Capital Contributions and/or Capital Accounts; (ii) any and all instruments, certificates, and other documents which may be deemed necessary or desirable to effect the winding-up and termination of the Company (including, but not limited to, a Certificate of Cancellation of the Certificate of Formation); (iii) any business certificate, fictitious name certificate, amendment thereto, or other instrument, agreement or document of any kind necessary or desirable to accomplish the business, purpose and objectives of the Company, or required by any applicable federal, state or local law; and (iv) all other filings with agencies of the federal government, of any state or local government, or of any other jurisdiction, which the Managing Board considers necessary or desirable to carry out the purposes of this Agreement.

The power of attorney hereby granted by each of the Members is coupled with an interest, is irrevocable, shall survive the transfer of the Member's interest in the Company and shall survive, and shall not be affected by, the subsequent death, disability, incapacity, incompetency, termination, bankruptcy, insolvency or dissolution of such Member. Copies of all documents executed by the Managing Board or any Manager pursuant to this Section ~~43.07~~ **13.08** shall be distributed to the Members as soon as is practicable following such execution.

Such representative and attorney-in-fact shall not have any right, power or authority when acting in such capacity, (i) to amend or modify this Agreement, (ii) to take any action which would increase the liability of any Member hereunder or (iii) which would materially and adversely affect the rights of any Member hereunder.

~~43.08~~ **13.09** Notices. Each notice relating to this Agreement shall be in writing and delivered in person, by facsimile or by registered or certified mail, return receipt requested. The receipt of any notice transmitted by facsimile must be confirmed by any means acceptable in the preceding sentence to be effective, provided, however, that such a confirmation does not, in turn, have to be confirmed. All notices to the Company shall be addressed to its principal office and place of business. All notices addressed to a Member shall be addressed to such Member at the address set forth in

Schedule B. Any Member may designate a new address by notice to that effect given to the Company. Unless otherwise specifically provided in this Agreement, a notice shall be deemed to have been effectively given when faxed or three (3) business days after being mailed by registered or certified mail to the proper address or when delivered in person.

IN WITNESS HEREOF, this Limited Liability Company Agreement is entered into as of ~~June~~ July __, 1999.

Class B Members

LLP (____% Proskauer Rose
(25% Class B Member)

By:
Title: _____

(25% _____) (____% Class B Member)
Armstrong, Hirsch, Jackoway,
Tyerman & Wertheimer

By:

Title:

(25% _____) (____% Class B Member)

By: Jude Rosario

(25% _____) (____% Class B Member)

By: Zakiral Shirajee

SCHEDULE A1

Class A Member's Name	Capital Contribution Value	Class A Member's Interest	Units	Percentage Interest
TOTAL <u>uview.com, Inc.</u>	<u>\$25,206.50</u>	100.00%	<u>504,130</u>	<u>91.00%</u>
TOTAL	\$25,206.50	100.00%	504,130	91.00%

SCHEDULE A2

Class B Member's Name	Capital Contribution	Class B Member's Interest	Units	Percentage Interest
<u>Proskauer Rose LLP</u>	<u>\$625.00</u>	<u>25.00%</u>	<u>12,500</u>	<u>2.25%</u>
<u>Jude Rosario</u>	<u>\$625.00</u>	<u>25.00%</u>	<u>12,500</u>	<u>2.25%</u>
<u>Zakiral Shirajee</u>	<u>\$625.00</u>	<u>25.00%</u>	<u>12,500</u>	<u>2.25%</u>
<u>Armstrong, Hirsch, Jackoway, Tyerman & Wertheimer</u>	<u>\$625.00</u>	<u>25.00%</u>	<u>12,500</u>	<u>2.25%</u>
TOTAL	<u>\$2,500.00</u>	100.00%	100.00% <u>50,000</u>	<u>9.00%</u>

SCHEDULE B

----- COMPARISON OF FOOTERS -----

-FOOTER 1-

3844/40017-001 NYLIB1/1049201 v4 06/25/99 11:42 AM v5 07/02/99 01:10 PM

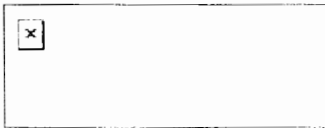
(11020)



LICENSING AGREEMENT
MGM
3744-0010.3 (138-MMM)
IUIEMIT.COM

Epstein, Alan

From: Eliot I. Bernstein [eliot@iviewit.com]
Sent: Wednesday, March 28, 2001 6:57 PM
To: David Rondan (E-mail)
Cc: Brian G. Utley; Maurice Buchsbaum; Alan J. Epstein (E-mail)
Subject: iviewit Technologies, Inc.



www.iviewit.com

David,

I am in receipt of the signed NDA. I will forward you the requested imaging and video patent information in the next few days. The image you sent over "antitrust" can be viewed with zoom at 72dpi at <http://www.iviewit.com/clients/antitrust>. I will call you shortly to schedule some time after you receive the patent information.

If you need additional information please feel free to contact me at any of the numbers below for the Glendale office. Hope all is well and I look forward to getting together again soon.

Best regards,

Eliot

Eliot I. Bernstein
Founder & Vice Chairman
email: eliot@iviewit.com
palm: iviewit@palm.net
Cell: 310.600.4645
Workin for the five day weekend!

iviewit Technologies, Inc.
California
505 North Brand Boulevard
Suite 1420
Glendale, CA 91203-2308
Voice: 818.545.1444
Fax: 818.545.1440
Web: www.iviewit.com

Florida
2255 Glades Road
Suite 337 West
Boca Raton, FL 33431
Voice: 561.999.8899
Fax: 561.999.8810
Toll: 877.484.8444

New York
245 West 29th Street
7th Floor
New York, NY 10001
Voice: 718.432.0333

3/29/01

Epstein, Alan

From: Epstein, Alan
Sent: Thursday, August 31, 2000 4:48 PM
To: Julian Jannus (E-mail)
Cc: Bernstein, Eliot (Bellsouth) (E-mail); Brian Utley (E-mail); Crawford, Megan (E-mail)
Subject: iviewit.com

Julian:

I read in the trades recently that MGM is going to post thousands of still photos from its movies on mgm.com. As you may recall when we met last year with Eliot Bernstein and Brian Utley, our client iviewit.com has developed a technology which allows digital images to be distributed on the internet with incredible clarity and pan and zoom capabilities which can go the optical limit. Iviewit would appreciate the opportunity to talk to you about a cost-effective license of their technology for this purpose.

Iviewit also would like to show you the latest developments from its lab. The quality and clarity of iviewit's streaming video has vastly improved over what you saw last time, and we are confident that you will find nothing better in the marketplace today.

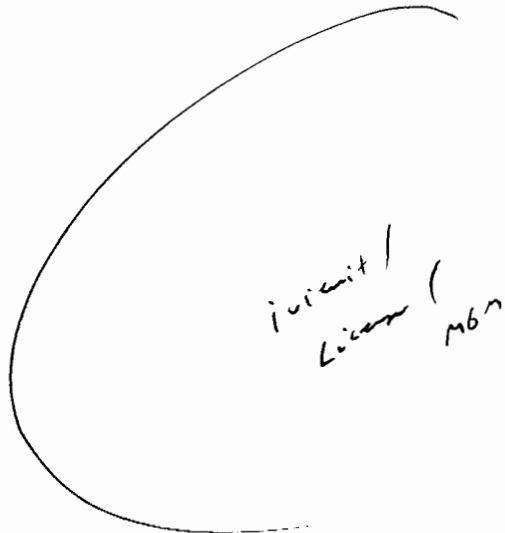
You should also know that iviewit is working with Tidal 4 (Lisa Hendricks and Amber Cordero), and they have already initiated discussions with MGM regarding the use of iviewit's technology on the "Rollerball" project.

Please let me know if you are interested in discussing this further.

Regards,

Alan J. Epstein

Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C.
1888 Century Park East, 18th Floor
Los Angeles, California 90067
e: aepstein@ahjtw.com
t: 310/553-0305
f: 310/203-2518



iviewit /
License /
MBN

Author: alps@netline.net at -FABRIK/Internet
Date: 9/13/99 2:07 PM
Priority: Normal
Receipt Requested
CC: EpsteinA at AHJTW
TO: "Megan Crawford (E-mail)" <leo@mgm.com> at -FABRIK/Internet
CC: "Brian G. Utley (E-mail)" <utley_b@bellsouth.net> at -FABRIK/Internet
Subject: iviewit.com thank you

----- Message Contents -----

From: alps@netline.net
Date: Mon, Sep 13, 1999 2:07 PM
Subject: iviewit.com thank you
To: Megan Crawford (E-mail)
Cc: Brian G. Utley (E-mail); EpsteinA
iviewit.com

Dear Megan,

Thank you for taking the time to meet with Alan, Brian and I last week. We look forward to producing cutting edge video for the Metro Goldwyn Mayer trailer sites. Thank you for the new James Bond trailer, I received it today and will be posting it for your review as soon as "Hurricane Floyd" blows over. We look forward to receiving your next assignment.

Once again, it was a pleasure meeting you and thank you for your time, effort and consideration of iviewit.com.

If you need additional information, please feel free to contact me at viewmaster@iviewit.com or 800-517-0234.

Eliot

iviewit.com

500 SE Mizner Boulevard

Suite 102

Boca Raton, FL 33432

561.417.8980

800.519.0234

www.iviewit.com

*to:
iviewit.com
MGM*

Epstein, Alan

To: mcrawford@mgm.com; Utley, Brian
Cc: Bernstein, Eliot (Bellsouth); Utley, Brian; Mulrooney, Michele; Jackoway, James; Hayum, George
Subject: RE: iviewit

Megan:

Is the tape that you're ordering the trailer (as opposed to the teaser)? Does MGM normally enter into an agreement allowing third parties to post the trailer, or is MGM's consent implied by virtue of the transfer of the tape or making available the digital press kit? Also, would it be possible to link iviewit's site to the jamesbond.com site?

Regardless of how the Bond situation turns out, does MGM have another movie being released soon with respect to which MGM would want to use iviewit's streaming video technology (for the trailer/teaser/etc.) or imaging technology (for the photo gallery/stills, etc.)? (You had mentioned a big-budget sci-fi movie to be released later this year or early next year.) If so, please call me, Eliot or Brian to discuss logistics and deal terms.

Thanks much. Best regards,

Alan Epstein
aepstein@ahjtw.com
tel. 310/553-0305

-----Original Message-----

From: mcrawford@mgm.com [mailto:mcrawford@mgm.com]
Sent: Friday, September 10, 1999 8:29 AM
To: Epstein, Alan
Cc: cfranco@mgm.com
Subject: Re: iviewit

Alan-
I most likely can give it to you to post on your site, but I cannot use the format on our site. I will order a tape for you.

Megan

"Epstein, Alan" <AEpstein@AHJTW.com> on 09/09/99 07:28:49 PM

To: Theatrical Web/MKTG/MGM
cc: "Bernstein, Eliot (Bellsouth)" <alps1@bellsouth.net>

Subject: iviewit

Megan: Just a quick note to see if you have had a chance yet to review the Microsoft Agreement on the Bond film, to determine whether or not the trailer/teaser/etc. can be played on jamesbond.com (or elsewhere) off of anything other than Microsoft Media Player. Let us know.
Thanks. Alan Epstein

A handwritten note enclosed in a hand-drawn circle. The text inside the circle reads: "tz." followed by "iviewit / hearing / MGM" on the next line.

Quinn, Roxane

From: Epstein, Alan
Sent: Friday, September 10, 1999 4:20 PM
To: Quinn, Roxane
Subject: FW: iviewit

rox -- please print this out. i couldn't. thx. aja

-----Original Message-----

From: mcrawford@mgm.com [mailto:mcrawford@mgm.com]
Sent: Friday, September 10, 1999 11:07 AM
To: Epstein, Alan
Cc: 'Utley, Brian'; 'Bernstein, Eliot (Bellsouth)'; Mulrooney, Michele;
Jackoway, James; Hayum, George
Subject: RE: iviewit

Alan-

We will be sending you the final trailer for Bond. We ask sites to send us a letter on their letterhead starting that the trailer is for promotional use only, that use of the trailer will cease after the promotional period, and that the trailer will not be used for any negative or defamatory purposes.

We will have new trailers for you soon. Unfortunately there is a music clearance issue with the Sci-fi trailer we discussed so it cannot be used on the web.

As I am bound to only use quicktime and window media on my site, I will not be able to link to the iviewit site for 007, though for future films we should be able to provide the link

Megan
310/449-3362

"Epstein, Alan" <AEpstein@AHJTW.com> on 09/10/99 11:05:43 AM

To: Megan Crawford/MKTG/MGM, "Utley, Brian" <Utley_b@bellsouth.net>
cc: "Bernstein, Eliot (Bellsouth)" <alps1@bellsouth.net>, "Utley, Brian" <Utley_b@bellsouth.net>, "Mulrooney, Michele" <MMulrooney@AHJTW.com>, "Jackoway, James" <JJackoway@AHJTW.com>, "Hayum, George" <GHayum@AHJTW.com>

Subject: RE: iviewit

Megan:

Is the tape that you're ordering the trailer (as opposed to the teaser)? Does MGM normally enter into an agreement allowing third parties to post the trailer, or is MGM's consent implied by virtue of the transfer of the tape or making available the digital press kit? Also, would it be

possible to link iviewit's site to the jamesbond.com site?

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Thanks much. Best regards,

Alan Epstein
aepstein@ahjtw.com
tel. 310/553-0305

-----Original Message-----

From: mcrawford@mgm.com [mailto:mcrawford@mgm.com]
Sent: Friday, September 10, 1999 8:29 AM
To: Epstein, Alan
Cc: cfranco@mgm.com
Subject: Re: iviewit

Alan-
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Megan

"Epstein, Alan" <AEpstein@AHJTW.com> on 09/09/99 07:28:49 PM

To: Theatrical Web/MKTG/MGM
cc: "Bernstein, Eliot (Bellsouth)" <alps1@bellsouth.net>

Subject: iviewit

Megan: Just a quick note to see if you have had a chance yet to review the Microsoft Agreement on the Bond film, to determine whether or not the trailer/teaser/etc. can be played on jamesbond.com (or elsewhere) off of anything other than Microsoft Media Player. Let us know.
Thanks. Alan Epstein

Epstein, Alan

To: Crawford, Megan; Rondan, David
Cc: Bernstein, Eliot (Bellsouth)
Subject: iviewit

Dear Megan and David:

Please try the following link for the Bond "teaser": <http://209.130.30.111:8080/ramgen/bondagebond.rm>

As a reminder, this needs to be played on the Real player (most recent version, using high speed line). If you have any problems with the link, open Real player, click file/open location and type in the address, or cut and paste.

We enjoyed meeting you today. Let us know how you like the video.

Best, Alan Epstein
aepstein@ahjtw.com
tel. 310/553-0305

To: iviewit /
license /MGM



MEGAN CRAWFORD
EXECUTIVE DIRECTOR
WORLDWIDE RESEARCH AND ONLINE MARKETING

METRO-GOLDWYN-MAYER DISTRIBUTION CO.
2500 BROADWAY STREET, SANTA MONICA, CALIFORNIA 90404-3061
(310) 449-3362 • FAX (310) 449-3701
E-MAIL: leo@mgm.com



JULIANN JANNUS
EXECUTIVE DIRECTOR
ON-AIR AND ON-LINE MARKETING

MGM WORLDWIDE TELEVISION GROUP
2500 BROADWAY STREET, SUITE B2026, SANTA MONICA, CALIFORNIA 90404-3061
(310) 449-3084 • FAX (310) 449-3056
E-MAIL: jjannus@mgm.com



DAVID RONDAN
INTERNET SOFTWARE DEVELOPER
INFORMATION SERVICES

METRO-GOLDWYN-MAYER STUDIOS INC.
2500 BROADWAY STREET, SANTA MONICA, CALIFORNIA 90404-3037
(310) 586-8018 • FAX (310) 449-3103
E-MAIL: drondan@mgm.com

HP Fax Series 900
Plain Paper Fax/Copier

Fax History Report for
Alan Epstein
(310) 203-2518
Sep 25 2000 4:00pm

Last Fax

<u>Date</u>	<u>Time</u>	<u>Type</u>	<u>Identification</u>	<u>Duration</u>	<u>Pages</u>	<u>Result</u>
Sep 25	3:59pm	Sent	915619998810	1:37	2	OK

Result:

OK - black and white fax

LAW OFFICES

ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER

A PROFESSIONAL CORPORATION

1888 CENTURY PARK EAST, 18TH FLOOR
LOS ANGELES, CALIFORNIA 90067-1722

KARL R. AUSTEN
JOSEPH D'ONOFRIO
ALAN J. EPSTEIN
HOWARD A. FISHMAN
ANDREW L. GALKER
ROBERT S. GETMAN
GEORGE T. HAYUM*
BARRY L. HIRSCH*
JAMES R. JACKOWAY*
JONATHAN D. KAUFELT*
CHRISTIANNE F. KERNS
JAMES C. MANDELBAUM*
ANDREA S. MATIAUDA
DAVID J. MATLOF
MARCY S. MORRIS
MICHELE M. MULROONEY
GEOFFREY W. OBLATH
RANDY M. SCHIENBERG
SCOTT A. STEIN
ROBERT L. STULBERG
BARRY W. TYERMAN
ROBERT S. WALLERSTEIN
ERIC C. WEISSLER*
ALAN S. WERTHEIMER

*ALSO ADMITTED IN NEW YORK

TELEPHONE
(310) 553-0305

FACSIMILE
(310) 553-5036

OF COUNSEL
ALLAN L. ALEXANDER
ARTHUR O. ARMSTRONG
RONALD J. BASS
GERALDINE S. HEMMERLING

OUR FILE

3744.10.3

September 13, 1999

Via Facsimile 310/449-3701 and Mail

Ms. Megan Crawford
MGM
2500 Broadway, Suite 4126
Santa Monica, CA 90404

Re: James Bond / "The World Is Not Enough" Trailer

Dear Megan:

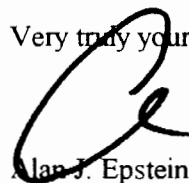
On behalf of my client, iviewit, LLC, I would like to thank you for taking the time to meet with us and to test iviewit's video and imaging technology. We are also very appreciative of MGM agreeing to allow iviewit to broadcast the James Bond trailer on its site, iviewit.com.

Per your request, this letter confirms that iviewit, LLC will use the James Bond trailer for promotional use only, that the use of the trailer will cease after the promotional period, and that the trailer will not be used for any negative or defamatory purposes.

Please let us know if MGM has any additional trailers or teasers for other movies that it would like to see over the internet using iviewit's technology.

Best personal regards.

Very truly yours,



Alan J. Epstein

AJE/rdq

G:\WP\AJE\LETTERS\CRAWFORD.LTR

cc: Mr. Eliot Bernstein
Mr. Brian Utley
Mr. Christopher Wheeler

**LAW OFFICES OF
ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER**
1888 CENTURY PARK EAST, 18TH FLOOR
LOS ANGELES, CALIFORNIA 90067
TELEPHONE: (310) 553-0305 TELECOPIER: (310) 553-5036

TELECOPIER TRANSMITTAL SHEET

DATE: September 13, 1999
RECIPIENT: Mr. Eliot Bernstein 561-417-4470
Mr. Brian Utley 561-417-4470
Mr. Chris Wheeler 561-241-7145
FROM: Alan J. Epstein, Esq
CLIENT/MATTER: 3744-0001
NUMBER OF PAGES: _3_ (including cover page)

MESSAGE:

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C:\MAIL\FAXES\SEP13\552.PAD

Group Send Report

Time : Sep-13-99 12:52pm
Tel line 1 :
Tel line 2 :
Name : ARMSTRONG & HIRSCH

Job number : 552
Date : Sep-13 12:50pm
Document Pages : 02
Start time : Sep-13 12:50pm
End time : Sep-13 12:52pm

Successful

Fax number

☎8662#3744*0001#15614174470
☎8662#3744*0001#15614174470
☎8662#3744*0001#15612417145

Unsuccessful

Pages sent

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LOS ANGELES, CALIFORNIA 90067
TELEPHONE: (310) 553-0305 TELECOPIER: (310) 553-5036

TELECOPIER TRANSMITTAL SHEET

DATE: September 13, 1999

RECIPIENT: Mr. Eliot Bernstein 561-417-4470
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CLIENT/MATTER: 3744-0001

NUMBER OF PAGES: 3 (including cover page)

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Confirmation Report-Memory Send

Time : Sep-13-99 12:53pm
Tel line 1 :
Tel line 2 :
Name : ARMSTRONG & HIRSCH

Job number : 553
Date : Sep-13 12:50pm
To : 8662#3744*0010#13104493701
Document Pages : 02
Start time : Sep-13 12:51pm
End time : Sep-13 12:52pm
Pages sent : 02
Job number : 553

*** SEND SUCCESSFUL ***

LAW OFFICES OF
ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER
1888 CENTURY PARK EAST, 18TH FLOOR
LOS ANGELES, CALIFORNIA 90067
TELEPHONE: (310) 553-0305 TELECOPIER: (310) 553-5036

TELECOPIER TRANSMITTAL SHEET

DATE September 13, 1999
RECIPIENT Ms. Megan Crawford
FROM Alan J. Epstein, Esq.
CLIENT/MATTER: 3744.10.3
FAX NUMBER: 310/449-3701
RE James Bond / "The World Is Not Enough" Trailer
NUMBER OF PAGES _2_ (including cover page)

MESSAGE:

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C:\WP61\BFA\CRAWFORD.DOC

Epstein, Alan

From: Epstein, Alan
Sent: Thursday, August 31, 2000 4:51 PM
To: Bernstein, Eliot (Bellsouth) (E-mail)
Cc: Brian Utley (E-mail); Maurice R. Buchsbaum (E-mail); 'lisa@tidal4.com'; 'amberc@tidal4.com'; Mulrooney, Michele; Jackoway, James
Subject: FW: iviewit.com

Eliot: You may want to discuss with Steve Sklar whether Zentropy is involved with the mgm.com project. If so, maybe Steve or his colleagues can call Julian and suggest to her that they should use your technology. They'll also hear it from Tidal 4. Full court press. Thx. AJE

-----Original Message-----

From: Epstein, Alan
Sent: Thursday, August 31, 2000 4:48 PM
To: Julian Jannus (E-mail)
Cc: Bernstein, Eliot (Bellsouth) (E-mail); Brian Utley (E-mail); Crawford, Megan (E-mail)
Subject: iviewit.com

Julian:

I read in the trades recently that MGM is going to post thousands of still photos from its movies on mgm.com. As you may recall when we met last year with Eliot Bernstein and Brian Utley, our client iviewit.com has developed a technology which allows digital images to be distributed on the internet with incredible clarity and pan and zoom capabilities which can go the optical limit. Iviewit would appreciate the opportunity to talk to you about a cost-effective license of their technology for this purpose.

Iviewit also would like to show you the latest developments from its lab. The quality and clarity of iviewit's streaming video has vastly improved over what you saw last time, and we are confident that you will find nothing better in the marketplace today.

You should also know that iviewit is working with Tidal 4 (Lisa Hendricks and Amber Cordero), and they have already initiated discussions with MGM regarding the use of iviewit's technology on the "Rollerball" project.

Please let me know if you are interested in discussing this further.

Regards,

Alan J. Epstein

Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C.
1888 Century Park East, 18th Floor
Los Angeles, California 90067
e: aepstein@ahjtw.com
t: 310/553-0305
f: 310/203-2518

LAW OFFICES OF
ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER

1888 CENTURY PARK EAST, 18TH FLOOR

LOS ANGELES, CALIFORNIA 90067

TELEPHONE: (310) 553-0305 TELECOPIER: (310) 553-5036

TELECOPIER TRANSMITTAL SHEET

DATE: August 29, 2000

RECIPIENT: Mr. Eliot Bernstein 561-999-8810

FROM: Alan J. Epstein, Esq.

CLIENT/MATTER: Article

NUMBER OF PAGES: 2 (including cover page)

MCM

MESSAGE:

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GAJE/FAX/BERNSN_E FAX

ACTIVE LINKUP

merger pumps up media muscle

majority holdings in the new company.

"I see the company expanding in the facilities end, as well as in communications and new media, especially in interactive programming," Vellardita said.

Deal is expected to close sometime after an SBI shareholders meeting on Oct. 10.

Together, Valencia and SBI represent combined annual revenue of only \$2 million, with 70% of Valencia's business comprising facility bookings and SBI limited mostly to Internet-based gaming. But those operations will be expanded, and TV production is expected to add substantially to company income in coming years, Vellardita said.

Valencia TV pilots recently shot or in production include "Truster," an action series with 20th Century Fox and Woody Fraser Prods.; "Fuhgedabowdit," a sitcom penned by Kim Weiskopf ("Married ... With Children") and directed by David Owen Trainor ("Seinfeld," "Ellen"); and variety show "Frankie Avalon's Let's Do It Again."

SBI produces interactive, satellite-delivered bingo and other games for Web sites, including FrontierPalace.com and SatelliteBingo.com. Current chief Ron Foster is expected to continue in an executive capacity still to be determined, Vellardita said.

ie join FeedRoom feast

formerly senior veepee and general manager of East Coast broadcast operations for CBS.

Venture capital firm Warburg, Pincus Equity Partners, the lead investor in the round, will take two seats on the FeedRoom's board of directors alongside Peter Lund, former CEO of CBS Television, and Chip Austin, previously CEO of Bertelsmann Online.

Besides giving coin to the FeedRoom, NBC and Tribune Ventures have entered into an agreement under which they will develop co-branded Web sites with the Netco for their local television stations.

"We looked at several companies with similar capabilities and found that the FeedRoom's tool set provided the best technology and the best service," said Jay Ireland, prexy of NBC Television Stations Group. "Our partnership with the FeedRoom will enhance NBC's owned-and-operated stations' Web sites by enabling us to reach broadband users in a compelling way."

Customized news

The FeedRoom converts news from the networks, local TV and cable stations and independent producers into a digital format that can be viewed online. The service gives Netizens the option of customizing the kind of news they want to see and to search through an archive for older footage.

"In the midst of a marketwide shakeout, to be endorsed by bedrock institutions like Warburg, Pincus, Tribune Ventures and NBC, with their vast media expertise, is an enormous boost and an important signal to our other potential partners," Klein said.

The FeedRoom is based in

TV series independents

holds, which should help boost the film site's traffic among Netizens.

Since inking deals to distribute its shorts on IFC, HBO, Cinemax

CYBER BIZ

NBC invests in 'Net sports firm Quokka

NBC said Tuesday that it has invested \$140.8 million in San Francisco-based **Quokka Sports**, which provides interactive sports programming over the Internet.

Investment, which comes only weeks before the start of the Olympic Games in Sydney, sent shares of Quokka up 38% on Tuesday to close at \$6.75. Shares rose as much as 57% during the day.

Quokka said it will issue a warrant to allow NBC to acquire as much as 10 million shares at \$8.95 to \$20 per share over the next 3 1/2 years.

NBC and Quokka have already inked a deal to create NBC/Quokka Ventures to provide exclusive Internet coverage of the Sydney games and the 2002 Olympics in Salt Lake City.

— Marc Graser

MGM Consumer Products, a unit of Metro-Goldwyn-Mayer, has bowed **MGMstills.com**, where Netizens can view, license and download high-resolution images from 4,100 movie files. Net users must complete a registration form to enter the site. Upon approval, users can search for images in the library by keyword, actor, director or genre.

MGM licenses images from its library, which is comprised of films from MGM (post 1986), United Artists Pictures, Goldwyn Films, Orion Pictures and Polygram. Pics include Academy Award winners "Rocky," "Platoon" and "Rain Man." Service can also be accessed at www.mgm.com/clips.

— Tim Swanson

Digital Island has signed on **BMG Entertainment** to use its music merchandise hosting and distribution service. As part of the deal, artist recordings from BMG labels such as Arista and RCA will

Turn to page 20

Col diskery ups Jenkins

By DON WALLER

Larry Jenkins has been upped to senior veep of marketing and media for Columbia Records. A 13-year veteran of the record biz, Jenkins most recently served as senior veep of media and strategic marketing for the diskery. He will report to Columbia G.M. Will Botwin.

In his new post, Jenkins will oversee the development and implementation of marketing objectives for Columbia artists across a variety of musical genres. His direct responsibilities will stretch from marketing and product placement to media and publicity

Jenkins responsibilities also will continue to include the design and implementation of publicity campaigns for all Columbia artists.

"Larry's bold vision and commitment to excellence have consistently produced some of our industry's most innovative and successful publicity campaigns," Botwin said.



Jenkins

"We're all bonded by genuine love of music and a positive 'whatever

HP Fax Series 900
Plain Paper Fax/Copier

Fax History Report for
Alan Epstein
(310) 203-2518
Aug 29 2000 4:29pm

Last Fax

<u>Date</u>	<u>Time</u>	<u>Type</u>	<u>Identification</u>	<u>Duration</u>	<u>Pages</u>	<u>Result</u>
Aug 29	4:25pm	Sent	915619998810	3:45	2	OK

Result:

OK - black and white fax

2255 Glades Road
Suite 340 West
Boca Raton, FL 33431-7360
Telephone 561.241.7400
Elsewhere in Florida
800.432.7746
Fax 561.241.7145

NEW YORK
LOS ANGELES
WASHINGTON
NEWARK
PARIS

PROSKAUER ROSE LLP

Date August 20, 1999

Client-Matter 0894/40017/001

Fax Transmittal

Total Pages (including Cover) 4

From Christopher C. Wheeler

Sender's Room Number

Sender's Voice Number 561.995.4702

Main Fax Operator 561.241.7400

To Megan Crawford

Fax No. 310.449.3701

Company MGM

Voice No. 310.449.3362

To Alan Epstein

Fax No. 310.553.5036

Company

Voice No.

Message

Handwritten:
D:
MGM
license agents/
MGM

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PROSKAUER ROSE LLP

2255 Glades Road
Suite 340 West
Boca Raton, FL 33431-7360
Telephone 561.241.7400
Elsewhere in Florida
800.432.7746
Fax 561.241.7145

NEW YORK
LOS ANGELES
WASHINGTON
NEWARK
PARIS

Christopher C. Wheeler
Member of the Firm

Direct Dial 561.995.4702
cwheeler@proskauer.com

August 20, 1999

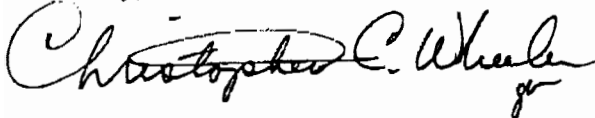
Ms. Megan Crawford
MGM
2500 Broadway, Suite 4126
Santa Monica, CA 90404

re: iviewit LLC

Dear Ms. Crawford:

At the request of Alan Epstein, I am forwarding the enclosed Confidentiality Agreement to you. I would appreciate your signing it and returning it to me by fax.

Cordially,



Christopher C. Wheeler

cc: Alan J. Epstein

CONFIDENTIALITY AGREEMENT

The undersigned acknowledges and agrees that any and all "Proprietary Information" provided by or on behalf of **iviewit LLC**, a Delaware limited liability company, (together with its direct and indirect subsidiaries and affiliates, the "Company"), Simon L. Bernstein, Eliot I. Bernstein, or any officer, director, employee, agent or representative of the Company to the undersigned, or to which the undersigned otherwise gains access to, shall be subject to the terms and conditions of this Agreement. "Proprietary Information" means all materials and information (regardless of the form of such information, including without limitation, in writing, electronic, computerized or other recorded form, oral or visual) that the undersigned may receive or learn of now or in the future concerning, or related in any way to, the Company or its business, including without limitation: (i) the contents of any Business Plan, projections or financial or credit information or data relating to the Company; (ii) the contents of any manuals or written materials of the Company; (iii) the names and records of actual or prospective clients, customers, suppliers, lenders, financing sources, or related persons; (iv) the terms of various agreements between the Company and third parties; (v) any data or database, or other information compiled or developed by the Company; (vi) any computer programs and listings, source codes and/or object codes, file structures, trademarks, trade secrets, patents, patent designs, patent applications, copyrights, forms, procedures, processes, training methods, developments, technical information, marketing activities and procedures and methods of operation, together with any other information, data, know-how or knowledge of a confidential or proprietary nature; and (vii) any information of a type described above derived or obtained from the internet or any website of the Company, including without limitation, the file structure relating to such website or the content of such website. Notwithstanding the foregoing, the term "Proprietary Information" does not include information which (i) is already known to the undersigned or in the undersigned's possession (other than that which was furnished to the undersigned by or on behalf of the Company prior to the date of this Agreement), (ii) is or becomes generally available to the public other than as a result of a disclosure by the undersigned, or (iii) becomes available to the undersigned on a non-confidential basis from a source other than the Company or its representatives, provided that such source is not known, after inquiry, to be bound by a confidentiality agreement with, or other obligation of secrecy to, the Company.

The undersigned acknowledges that the Proprietary Information constitutes valuable, special and unique assets of the Company. The undersigned agrees (a) to receive in trust, and treat as confidential, the Proprietary Information; (b) not to use any of the Proprietary Information for any purpose without the prior written consent of Simon L. Bernstein or Eliot Bernstein; (c) not to disclose any of the Proprietary Information to anyone (other than to such of the undersigned's advisors who have a need to know such Information for the sole purpose of assisting the undersigned in evaluating such Information; provided that the undersigned shall be liable for any breach of confidentiality or use by such advisors) without the prior written consent of Simon L. Bernstein or Eliot Bernstein; and (d) not to reproduce, fax, distribute, store, reverse engineer or copy any Proprietary Information in any form without the prior written consent of Simon L. Bernstein or Eliot Bernstein. The undersigned understands that all Proprietary Information is confidential and that all rights, title and interest in the Proprietary Information is and shall remain the exclusive property of the Company, and no license or other rights are being granted to the undersigned by the Company.

The undersigned further agrees that the Company shall be entitled to equitable relief, including injunction, in the event of any breach of this Confidentiality Agreement, that the granting of such relief will not be opposed and that such relief shall not be the exclusive remedy for such breach. Furthermore, the undersigned agrees to defend and hold harmless the Company from any loss, cost, expense (including attorney's fees and litigation expenses), claim, liability, or damage arising from or related to a breach of this Confidentiality Agreement.

The undersigned has executed this Confidentiality Agreement as of the date set forth below.

iviewit LLC

Attention: Eliot I. Bernstein
500 S.E. Mizner Boulevard, Suite 102
Boca Raton, Florida 33432-6080
800.519.0234

IF AN INDIVIDUAL:

(Signature)

(Name - please print)

IF A COMPANY:

MGM

(Name of Company)

By: _____
(Signature)

Megan Crawford

(Name - please print)

Date: _____

LAW OFFICES

ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER

A PROFESSIONAL CORPORATION

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JOSEPH D'ONOFRIO
ALAN J. EPSTEIN
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ERIC C. WEISSLER*
ALAN S. WERTHEIMER

1888 CENTURY PARK EAST, 18TH FLOOR
LOS ANGELES, CALIFORNIA 90067-1722

AMM
iviewit
file

TELEPHONE
(310) 553-0305

FACSIMILE
(310) 553-5036

OF COUNSEL
ALLAN L. ALEXANDER
ARTHUR O. ARMSTRONG
RONALD J. BASS
GERALDINE S. HEMMERLING

OUR FILE

May 31, 2000

*ALSO ADMITTED IN NEW YORK

VIA MESSENGER

Mr. Eric Fleiss

<KPE>

6100 Wilshire Boulevard
Suite 1100
Los Angeles, CA 90048

Re: iviewit.com

Dear Eric:

Following up on our telephone conversation last week, enclosed is a copy of the Business Plan for our client, iviewit.com.

Iviewit has developed two proprietary and complimentary technologies to enhance video and images delivered on the internet. The first is a state-of-the-art technology which enables full-screen, full-frame rate (i.e., 30 frames per second) streaming video to be viewed by any internet video player at bandwidths as low as 150 kbps, with increased quality and reduced file size. The second digital imaging technology creates an opportunity for full screen still images and 360° panoramic views that can be magnified to the optical limit with minimal image distortion.

Iviewit has protected its technologies by filing and securing eight patent pending applications, and is currently buffering and expanding those patents through a significant supplemental filing. Iviewit is represented by several of the most prominent patent law firms and attorneys in the world. Bill Dick, who is the most senior member of the intellectual property department of Foley & Lardner in Milwaukee, Wisconsin, was formerly in charge of IBM's patent and licensing operations in the Far East and in other territories. Mr. Dick and his patent team of attorneys are preparing all of iviewit's supplemental patent filings and are drafting all of iviewit's license agreements. Iviewit's potential patent litigation (if any) will be handled by Ken Rubenstein, who is the head of intellectual property litigation group at the law firm of Proskauer Rose in New York City. Mr. Rubenstein is in charge of all patent litigation on behalf of the MPEG patent pool, in addition to a number of other high-profile technology litigation matters.

Mr. Eric Fleiss

May 31, 2000

Page 2

Iviewit has licensed its technology and providing services to a number of substantial clients, such as Hollywood.com, Broadway.com, Hyatt Hotels and Resorts, and Great Expectations Dating Service. Iviewit also is in final negotiations to license its technology to Playboy.com, MedicalOnline.com (x-rays, MRI's CT-scans, etc.) AmericanEnterprise.com (multi-hour surgical and educational videos), GregManningAuctions.com (one of the largest auction houses) and many other clients in the entertainment, health care, automotive and other industries.

Iviewit initially raised \$500,000 of seed capital from Wayne Huizenga's venture group (at a \$10 million post-money value). Within the last few months, Iviewit raised \$1.5 million in a Series A round at a \$25 million post-money valuation from an investment group led by several individuals who previously ran Merrill Lynch's venture division. Iviewit is currently negotiating with an investment group for an additional \$2 million in the Series A round, with a Series B round (\$10 million minimum) to follow later this year. The proceeds will be used to provide working capital (including the leasing/purchase of equipment and facilities) which will enable iviewit to fulfill its backlog of orders and to expand its licensing operations. Iviewit is currently in discussions with several of the nation's leading investment banks to lead the Series B fundraising efforts.

The iviewit technology is most easily explained through a demonstration. If you or your colleagues at <KPE> are interested in learning more about the company in the context of a Series A and/or Series B round investment or a licensing or other strategic relationship, please let me know and I will arrange to have the principals fly to Los Angeles (or New York, if you prefer) for a meeting. Although you can see some of the company's technology and applications on the website (www.iviewit.com), the highest-quality work is not available for public viewing and is best seen through a private demonstration.

I look forward to hearing from you.

Best regards.

Very truly yours,



Alan J. Epstein

Mr. Eric Fleiss

May 31, 2000

Page 3

AJE/rdq

G:\WP\AJE\LETTERS\FLEISS3.DOC

cc: Mr. Eliot Bernstein

Mr. Brian Utley

Mr. Maurice Buchsbaum

(w/o encls.)

LAW OFFICES

ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER

Mr. Eric Fleiss

May 31, 2000

Page 4

bcc: Michele M. Mulrooney, Esq.
James R. Jackoway, Esq.

LAW OFFICES OF
ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER
1888 CENTURY PARK EAST, 18TH FLOOR
LOS ANGELES, CALIFORNIA 90067,
TELEPHONE: (310) 553-0305 TELECOPIER: (310) 553-5036

TELECOPIER TRANSMITTAL SHEET

DATE: May 19, 2000

RECIPIENT: Mr. Brian Utley

FROM: Alan J. Epstein, Esq.

FAX NUMBER: (561) 999-8810

RE: Iviewit Summary Letter

NUMBER OF PAGES: 3 (including cover page)

CC: Michele M. Mulrooney, Esq.
James R. Jackoway, Esq.

MESSAGE:

Dear Brian:

Attached is a draft letter I would like to send to Pacific Capital Group (the company which founded Global Crossing), Waterview Partners (a \$240 million venture fund founded by Frank Biondi, the former chairman of Universal Pictures) and KPE (New York-based venture and service firm focusing on entertainment industry internet applications). I would very much appreciate your reviewing the letter for accuracy as soon as possible and providing me with your comments.

Best regards.



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If all pages are not received, please contact sender at (310) 553-0305. Thank you.

GAWP/ALJEFAX/UTLEY.DOC

May 19, 2000

VIA MESSENGER

Mr. Gregg W. Ritchie
Pacific Capital Group, Inc.
360 N. Crescent Drive
Beverly Hills, CA 90210

Re: iviewit.com

Dear Gregg:

I very much enjoyed meeting you for lunch earlier this week. As promised, enclosed is a copy of the Business Plan for our client, iviewit.com.

Iviewit has developed two proprietary and complimentary technologies to enhance video and images delivered on the internet. The first is a state-of-the-art technology which enables full-screen, full-frame rate (i.e., 30 frames per second) streaming video to be viewed by any internet video player at bandwidths as low as 150 kbps, with increased quality and reduced file size. The second digital imaging technology creates an opportunity for full screen still images and 360° panoramic views that can be magnified with minimal image distortion.

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Mr. Gregg W. Ritchie
May 19, 2000
Page 2

Iviewit has licensed its technology and providing services to a number of substantial clients, such as hollywood.com, broadway.com, Hyatt Hotels and Resorts, and Great Expectations Dating Service. Iviewit also is in final negotiations to license its technology to playboy.com, medicalonline.com (x-rays, MRI's CT-scans, etc.) americanenterprise.com (multi-hour surgical and educational videos), gregmanningauctions.com (one of the largest auction houses) and many other clients in the entertainment, health care, automotive and other industries.

Iviewit initially raised \$500,000 of seed capital from Wayne Huizenga's venture group (at a \$10 million post-money value). Within the last few months, Iviewit raised \$1.5 million in a Series A round at a \$25 million post-money valuation from an investment group led by several individuals who previously ran Merrill Lynch's venture division. Iviewit is currently seeking an additional \$1-\$2 million in the Series A round, with a Series B round (\$10 million minimum) to follow later this year. The proceeds will be used to provide working capital (including the leasing/purchase of equipment and facilities) which will enable iviewit to fulfill its substantial backlog of orders and to expand its licensing operations. Iviewit is currently in discussions with several of the nation's leading investment banks to lead the Series B fundraising efforts.

The iviewit technology is most easily explained through a demonstration. If Pacific Capital or its Venture Group are interested in learning more about the company, please let me know and I will arrange to have the principals fly to Los Angeles for a meeting. Although you can see some of the company's technology and applications on the website (www.iviewit.com), the highest-quality work is not available for public viewing and is best seen through a private demonstration.

I look forward to hearing from you.

Best regards.

Very truly yours,

Alan J. Epstein

iviewit
- sen 'l
mmm

LAW OFFICES

ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER

A PROFESSIONAL CORPORATION

KARL R. AUSTEN
JOSEPH D'ONOFRIO
ALAN J. EPSTEIN
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GEORGE T. HAYUM*
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JAMES C. MANDELBAUM*

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GEOFFREY W. OBLATH
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ROBERT L. STULBERG
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ROBERT S. WALLERSTEIN
ERIC C. WEISSLER*
ALAN S. WERTHEIMER

1888 CENTURY PARK EAST, 18TH FLOOR
LOS ANGELES, CALIFORNIA 90067-1722

TELEPHONE
(310) 553-0305
FACSIMILE
(310) 553-5036
OF COUNSEL
ALLAN L. ALEXANDER
ARTHUR O. ARMSTRONG
RONALD J. BASS
GERALDINE S. HEMMERLING

OUR FILE

May 30, 2000

*ALSO ADMITTED IN NEW YORK

VIA MESSENGER

Ms. Kimberly Chu
WaterView Advisors, LLC
2425 Olympic Boulevard
Suite 4050
Los Angeles, CA 90404

Re: iviewit.com

Dear Kimberly:

Following up on our telephone conversation last week, enclosed is a copy of the Business Plan for our client, iviewit.com.

Iviewit has developed two proprietary and complimentary technologies to enhance video and images delivered on the internet. The first is a state-of-the-art technology which enables full-screen, full-frame rate (i.e., 30 frames per second) streaming video to be viewed by any internet video player at bandwidths as low as 150 kbps, with increased quality and reduced file size. The second digital imaging technology creates an opportunity for full screen still images and 360° panoramic views that can be magnified to the optical limit with minimal image distortion.

Iviewit has protected its technologies by filing and securing eight patent pending applications, and is currently buffering and expanding those patents through a significant supplemental filing. Iviewit is represented by several of the most prominent patent law firms and attorneys in the world. Bill Dick, who is the most senior member of the intellectual property department of Foley & Lardner in Milwaukee, Wisconsin, was formerly in charge of IBM's patent and licensing operations in the Far East and in other territories. Mr. Dick and his patent team of attorneys are preparing all of iviewit's supplemental patent filings and are drafting all of iviewit's license agreements. Iviewit's potential patent litigation (if any) will be handled by Ken Rubenstein, who is the head of intellectual property litigation group at the law firm of Proskauer Rose in New York City. Mr. Rubenstein is in charge of all patent litigation on behalf of the MPEG patent pool, in addition to a number of other high-profile technology litigation matters.

Ms. Kimberly Chu

May 30, 2000

Page 2

Iviewit has licensed its technology and providing services to a number of substantial clients, such as Hollywood.com, Broadway.com, Hyatt Hotels and Resorts, and Great Expectations Dating Service. Iviewit also is in final negotiations to license its technology to Playboy.com, MedicalOnline.com (x-rays, MRI's CT-scans, etc.) AmericanEnterprise.com (multi-hour surgical and educational videos), GregManningAuctions.com (one of the largest auction houses) and many other clients in the entertainment, health care, automotive and other industries.

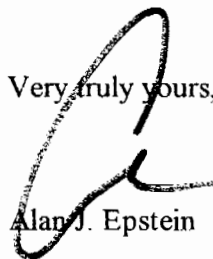
Iviewit initially raised \$500,000 of seed capital from Wayne Huizenga's venture group (at a \$10 million post-money value). Within the last few months, Iviewit raised \$1.5 million in a Series A round at a \$25 million post-money valuation from an investment group led by several individuals who previously ran Merrill Lynch's venture division. Iviewit is currently negotiating with an investment group for an additional \$2 million in the Series A round, with a Series B round (\$10 million minimum) to follow later this year. The proceeds will be used to provide working capital (including the leasing/purchase of equipment and facilities) which will enable iviewit to fulfill its backlog of orders and to expand its licensing operations. Iviewit is currently in discussions with several of the nation's leading investment banks to lead the Series B fundraising efforts.

The iviewit technology is most easily explained through a demonstration. If you or your colleagues at WaterView are interested in learning more about the company in the context of a Series A and/or Series B round investment or a licensing or other strategic relationship, please let me know and I will arrange to have the principals fly to Los Angeles (or New York, if you prefer) for a meeting. Although you can see some of the company's technology and applications on the website (www.iviewit.com), the highest-quality work is not available for public viewing and is best seen through a private demonstration.

I look forward to hearing from you.

Best regards.

Very truly yours,



Alan J. Epstein

Ms. Kimberly Chu
May 30, 2000
Page 3

AJE/rdq

G:\WP\AJE\LETTERS\RITCHIE.COM

cc: Mr. Eliot Bernstein
Mr. Brian Utley
Mr. Maurice Buchsbaum
(w/o encls.)

LAW OFFICES

ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER

Ms. Kimberly Chu

May 30, 2000

Page 4

bcc: Michele M. Mulrooney, Esq.
James R. Jackoway, Esq.

Fax

Please deliver immediately to: Michele Mulrooney

of:

Fax number: 13105535036

Voice number:

Fax received from: Eliot Bernstein

of: Iviewit

Fax number: 561-417-4470

Voice number: Iviewit

Date: 6/14/99

Time: 6:33:27 AM

Number of Pages: 1

Subject:

Message:

Michele,

Here is the letter from Goldstein & Lewin.

Can



GOLDSTEIN LEWIN & CO.

Certified Public Accountants

June 7, 1999

Simon Bernstein
Eliot Bernstein
Board of Directors
IVIEWIT, Inc.
500 S.E. Mizner Boulevard, Suite 102
Boca Raton, FL 33432

Re: Possible Conflict of Interest
Visual Data Corporation
Hotelview Corporation

Dear Simon and Eliot:

Based on the billing records I have reviewed, our engagement for Visual Data Corporation and its subsidiary, Hotelview Corporation started in October of 1994. I had originally obtained the client and turned it over to the firm's auditing department which has since then managed all engagements and kept contact with the clients.

We prepared certified audits for the above mentioned clients for years ended September 30, 1994, September 30, 1995 and September 30, 1996. Our firm assisted Visual Data and its subsidiary, Hotelview, in becoming a publicly traded corporation while we were preparing the September 30, 1996 audit. Subsequently, the underwriter felt that a national firm would best serve the client with their auditing services and the auditing function was turned over to Arthur Andersen which performed the September 30, 1997 and September 30, 1998 audits. Our firm continued to prepare a consolidated tax return for Visual Data and Hotelview.

It was my personal understanding from the beginning of the engagement that Visual Data was a holding company and Hotelview was a subsidiary operating corporation. When I met with the two of you some months ago, I pointed out that Hotelview was a client of our firm, but that we were no longer engaged to prepare their audit. The only discussion I recall between us related to the quality of Hotelview's pictures. It was approximately a week ago when Eliot discussed business activity of Visual Data that I even realized that it conducted its own business and was not merely a holding company.

After turning over the account to the auditing department in October of 1994, I had no involvement with the client, the auditing function or the preparation of the tax returns. At no time whatsoever have I discussed any information regarding IVIEWIT, Inc. with any members of the Board of Directors, officers or employees of Visual Data Corporation or Hotelview Corporation. I have never owned, nor do I currently own, stock of Visual Data or Hotelview. I have never advised any members of my family or anyone else to buy or sell stock of Visual Data or Hotelview.

I have never been, nor am I currently, a member of the Board of Directors or any advisory committee of Visual Data or Hotelview. From time to time, when Visual Data or Hotelview issues additional stock or repurchases its own stock, a letter of consent is required from Goldstein Lewin & Co., since we were on record as being the auditors on the September 30, 1996 financial statement. Because of this letter, we must maintain independence from Visual Data and Hotelview. Pursuant to SEC and AICPA regulations, no employees of Goldstein Lewin & Co. are permitted to own stock in Visual Data or Hotelview or be a member of the Board of Directors of Visual Data or Hotelview. To my knowledge, all the employees of Goldstein Lewin & Co. adhere to that independent status.

Simon Bernstein
Eliot Bernstein
Board of Directors
IVIEWTT, Inc.
June 7, 1999

Possible Conflict of Interest - Page Two

The September 30, 1996, September 30, 1997 and September 1998 tax returns were prepared by the following employees of Goldstein Lewin & Co.:

9/30/96	Natalie Kelly, CPA
9/30/97	Nicholas Buscemi, CPA
9/30/98	Nicholas Buscemi, CPA

I will be forwarding to you, under separate cover, notarized disclosures of confidentiality by employees of Goldstein Lewin & Co. regarding Iviewit, Inc., Visual Data Corporation and Hotelview Corporation.

If I can be of further help, please advise.

Sincerely,

GOLDSTEIN LEWIN & CO.
Certified Public Accountants

Gerald R. Lewin, CPA

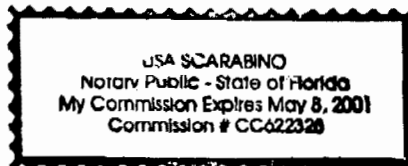
GRL/bjw

c: Christopher Wheeler, Esq.

f:\data\99\grl\conflict.doc.

STATE OF FLORIDA
COUNTY OF PALM BEACH

Sworn to and subscribed before me this 7th day of June, 1999, by
Gerald R. Lewin who is personally known or who has produced
_____ as identification.



Signature of Notary Public
Lisa Scarabino
Printed Name of Notary Public
State of Florida at Large
My Commission No.
My Commission Expires:

04/26/1999 16:53 5612410071
APR 26 1999 16:08 FR PROSKAUER ROSE

GOLDSTEIN LEWIN
561 241 5200 TO 0094#40017001#24 P.02/02

PAGE 03

PROSKAUER ROSE LLP

2256 Glades Road
Suite 340 West
Boca Raton, FL 33431-7380
Telephone 561.241.7400
Elsewhere in Florida
800.432.7748
Fax 561.241.7146

NEW YORK
LOS ANGELES
WASHINGTON
NEWMAN
PARIS

Christopher C. Wheeler
Member of the Firm

Direct Dial 561.985.4702
cwhc@proskauer.com

April 26, 1999

Mr. Richard Rossman
Lewinter and Rossman
16255 Ventura Blvd., Suite 600
Encino, CA 91436

Re: iviewit, Inc.

Dear Richard:

Under separate cover I have forwarded you a revised Confidentiality Agreement.

As you know we have undertaken representation of iviewit, Inc. ("iviewit") and are helping them coordinate their corporate and intellectual property matters. In that regard, we have reviewed their technology and procured patent counsel for them. We believe the iviewit technology is far superior to anything presently available with which we are familiar. Iviewit has filed a provisional patent application on a method for providing enhanced digital images on telecommunications networks. We are advised by patent counsel that the process appears novel and may be protected by the patent laws. While in all matters of this sort, it is far too early to make any final pronouncements, we do believe that there is an extremely good prospect that iviewit will protect their process which is novel and superior to any other format which we have seen.

Very truly yours,

Christopher C. Wheeler

CCW/gh

*to: Elliott/
iviewit*

LAW OFFICES

ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER

A PROFESSIONAL CORPORATION

KARL R. AUSTEN
JOSEPH D'ONOFRIO
ALAN J. EPSTEIN
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CHRISTIANNE F. KERNS
JAMES C. MANDELBAUM*

ANDREA S. MATIAUDA
DAVID J. MATLOF
MARCY S. MORRIS
MICHELE M. MULROONEY
GEOFFRY W. OBLATH
RANDY M. SCHIENBERG
SCOTT A. STEIN
ROBERT L. STULBERG
BARRY W. TYERMAN
ROBERT S. WALLERSTEIN
ERIC C. WEISSLER*
ALAN S. WERTHEIMER

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LOS ANGELES, CALIFORNIA 90067-1722

TELEPHONE
(310) 553-0305
FACSIMILE
(310) 553-5036
OF COUNSEL
ALLAN L. ALEXANDER
ARTHUR O. ARMSTRONG
RONALD J. BASS
GERALDINE S. HEMMERLING
OUR FILE

November 9, 1999

*ALSO ADMITTED IN NEW YORK

VIA FEDERAL EXPRESS

Mr. Kristopher Nybakken
Managing Director
Petkevich & Partners, LLC
120 Montgomery Street
Suite 1370
San Francisco, CA 94104

Re: iviewit.com

Dear Kris:

As promised, enclosed is a first-generation Business Plan of iviewit, LLC. The Business Plan is currently being updated and refined, although it will give you a general idea of the company's technology and mission. Even better, go to the Video Gallery at the iviewit.com site, using Internet Explorer and the latest version of Real Player on a high speed line.

Please call me after you have had a chance to review the materials.

Thanks very much for your assistance. Best regards.

Very truly yours,


Alan J. Epstein

AJE/rdq

G:\WP\AJE\LETTERS\NYBAKKEN.DOC

cc: Mr. Eliot Bernstein
Mr. Simon Bernstein
Mr. Brian Utley
James R. Jackoway, Esq.
Michele M. Mulrooney, Esq.
(none w/encls.)



BUSINESS PLAN

THE INFORMATION PRESENTED IN THIS BUSINESS PLAN IS NOT INTENDED AS AN OFFER TO SELL, NOR A SOLICITATION OF OFFERS TO PURCHASE, ANY INTERESTS OR SECURITIES OF THE COMPANY IN ANY JURISDICTION. NOTHING HEREIN SHALL OBLIGATE THE COMPANY TO MAKE ANY SUCH OFFER, NOR AFFECT THE RIGHT OF THE COMPANY TO DETERMINE IN ITS ABSOLUTE DISCRETION THE TERMS UPON WHICH ANY SUCH OFFERING MAY OR MAY NOT BE MADE.

2200 Glades Road
Suite 340 West
Boca Raton, FL 33431-7360
Telephone 561.241.7400
Elsewhere In Florida
800.432.7746
Fax 561.241.7145

NEW YORK
LOS ANGELES
WASHINGTON DC
CLIFTON NJ
PARIS

PROSKAUER ROSE LLP

Date December 22, 1999
Total Pages (Including Cover) 3

Client-Matter 0785/40017/001

Fax Transmittal

From Rocky Thompson
Sender's Voice Number 561.995.4721

Sender's Room Number
Main Fax Operator 561.241.7400

To Brian Utley c/o Alan Epstein, Esq.
Company Armstrong Hirsch

Fax No. 310.553.5036
Voice No. 310.553.0305

Message

Attached is a draft Preliminary Term Sheet relating to the \$500,000 offer to certain existing equity holders of iviewit. I am also sending a copy of this draft to Sy Bernstein for his review. Please call me or Mara at your earliest convenience to discuss. Otherwise, I'll speak to you about this matter tomorrow afternoon when you return.

Best regards.

Enclosure

cc: Eliot I. Bernstein via facsimile
Simon L. Bernstein, by hand delivery
Christopher C. Wheeler, Esq.

TU:
iviewit
& Sy I. Bernstein

Confidentiality Note: This message is confidential and intended only for the use of the addressee(s) named above. It may contain legally privileged material. Dissemination, distribution or copying of this message, other than by such addressee(s), is strictly prohibited. If you have received this message in error, please immediately notify us by telephone and return the original to us at the address above. We will reimburse you for the cost of the telephone call and postage. Thank you.

DRAFT**CONFIDENTIAL**

Term Sheet No.: _____

IVIEWIT LLC

PRELIMINARY TERM SHEET

1. **Issuer.** iviewit LLC (the "Company").
2. **Business.** The Company is principally engaged in the business of:
 - developing and implementing technology that allows products and services to be advertised and marketed via the Internet by means of a three-dimensional virtual tour of such products and services at full screen high definition;
 - developing and implementing technology involving enhanced video display on the Internet; and
 - advertising and marketing products and services using such proprietary technology.
3. **Structure and Proposed Reorganization.** The Company is currently set up as a Delaware limited liability company and conducts business primarily through its wholly owned subsidiary, iviewit.com LLC. The Company currently has two classes of Member Interests which represent all of the equity in the Company (the "Member Interests"):
 - Class A Member Interests ("Class A Interests"), which have voting rights, and of which there are currently 551,335 Class A Interests outstanding, 521,268 are owned by uvview.com, Inc. and, after giving effect to the conversion of a \$500,000 promissory note issued by the Company to INVESTTECH Holdings, L.L.C. ("Investtech"), 30,067 of which are owned by Investtech; and
 - Class B Member Interests ("Class B Interests"), which have no voting rights other than as provided for in the Company's Limited Liability Company Agreement ("LLC Agreement") or under applicable law, and of which there are currently 50,000 Class B Interests outstanding.

To facilitate the growth of the Company and the admission of new equity holders, the Company intends to reorganize its business into a corporate structure within the next thirty days (the "Reorganization"). While the details of the Reorganization have not yet been finalized, it is anticipated that the existing members of the Company will become shareholders of a newly organized corporation, which will acquire the assets of and succeed to the business of the Company, on a pro rata basis to their existing ownership in the Company. Holders of a Class A Interest are

anticipated to receive shares of Class A Voting Common Stock ("Class A Stock") of the new company and holders of a Class B Interest are anticipated to receive shares of Class B Non-Voting Common Stock ("Class B Stock") of the new company. References to the "Company" in this preliminary term sheet include the Company as reorganized.

4. Securities to be Offered; Use of Funds. Following the Reorganization, the Company will offer to certain existing equity owners in the Company or its affiliates approximately 30,067 shares of its Class A Stock (the "Class A Shares"), representing approximately five percent (5%) of the then issued and outstanding shares of Class A and Class B Stock combined, for \$16.63 per share (an aggregate of \$500,000)(the "Offering"). The Offering is expected to be limited to equity owners which are "accredited investors" as that term is defined pursuant to Rule 501 of Regulation D of the Securities Act of 1933, amended ("Securities Act"). Funds from the Offering are expected to be used to provide interim working capital until the Company is able to raise the additional funds necessary to develop its business. There can be no assurance that the Company will be able to raise such additional funds.

5. Management of the Company. The Company is currently managed by a Managing Board consisting of two managers ("Managers"), Simon and Eliot Bernstein, both of whom were elected by the Class A Members. After the Reorganization, the Company is expected to have a Board of Directors consisting of four persons, including the two existing Managers of the Company, together with Brian Utley (the Company's existing Chief Executive Officer) and Gerald Lewin.

6. Sales to Investors. The offering of the Class A Shares will not be registered under the Securities Act, and the Class A Shares are expected to be offered in reliance upon the exemption under Section 4(2) of the Securities Act and the provisions of Regulation D promulgated thereunder. The offering will be limited to "accredited investors", within the meaning of Regulation D under the Securities Act.

7. Risk Factors. The Class A Shares to be offered will be highly speculative, will involve a high degree of risk, and therefore, should not be purchased by anyone who cannot afford the loss of his or its entire investment.

8. No Offering; Private Placement Memorandum. Nothing herein shall constitute an offer to sell, or the solicitation of an offer to buy the Class A Shares described herein. Any such offer or solicitation shall be made solely, if at all, by a private placement memorandum or term sheet and certain related documentation. The private placement documentation is expected to contain, among other things, risk factors, a description of the Company and its proposed business and subscription documents. The descriptions and terms set forth in this preliminary term sheet are subject to change, addition or termination by the Company in its sole discretion. No person may rely upon any oral statements or representations, but must rely solely on the private placement documents.

***NO PORTION OF THIS PRELIMINARY TERM SHEET
OR ANY EXHIBITS HERETO MAY BE COPIED OR DISTRIBUTED
WITHOUT THE EXPRESS WRITTEN CONSENT OF THE COMPANY***



One Boca Place, 2255 Glades Road, Ste. 337, Boca Raton, FL 33431

561.999.8899 - FAX 561.999.8810 - www.iviewit.com

December 29, 1999

VIA-OVERNIGHT MAIL

Mr. Alan Epstein
1888 Century Park East
Suite 1888
Los Angeles, California 90067-1702

Re: iviewit LLC Preliminary Term Sheet

Dear Alan:

On behalf of iviewit LLC ("iviewit"), attached hereto please find a Preliminary Term Sheet (the "Term Sheet") which is being sent to key existing stockholders/members of iviewit and its affiliates. Within the next few weeks, we will be forwarding to you a confidential private offering memorandum and subscription documents that will set forth the specific terms of a private offering of securities of iviewit or an affiliated entity, as generally described in the Term Sheet. In the meantime, should you have any questions, please call me.

Very truly yours,

A handwritten signature in cursive script that reads "Brian Utley".

Brian G. Utley
President and Chief Operating Officer

BU/mm
Enclosure

CONFIDENTIAL

Term Sheet No.: _____

IVIEWIT LLC

PRELIMINARY TERM SHEET

1. Issuer. iviewit LLC (the "Company").

2. Business. The Company is principally engaged in the business of:
 - developing and implementing technology that allows products and services to be advertised and marketed via the Internet by means of a three-dimensional virtual tour of such products and services at full screen high definition;

 - developing and implementing technology involving enhanced video display on the Internet; and

 - advertising and marketing products and services using such proprietary technology.

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 - Class A Member Interests ("Class A Interests"), which have voting rights, and of which there are currently 551,335 Class A Interests outstanding, 521,268 are owned by uview.com, Inc., an affiliated Delaware corporation ("uview"), and, after giving effect to the conversion of a \$500,000 promissory note issued by the Company to INVESTECH Holdings, L.L.C. ("Investech"), 30,067 of which are owned by Investech; and

 - Class B Member Interests ("Class B Interests"), which have no voting rights other than as provided for in the Company's Limited Liability Company Agreement ("LLC Agreement") or under applicable law, and of which there are currently 50,000 Class B Interests outstanding.

To facilitate the growth of the Company and the admission of new equity holders, the Company intends to reorganize its business into a corporate structure within the next thirty days (the "Reorganization"). While the details of the Reorganization have not yet been finalized, it is anticipated that the existing members of the Company will become shareholders of a newly organized corporation, which will acquire the assets of and succeed to the business of the Company, on a pro rata basis to their existing ownership in the Company. Holders of a Class A Interest are

anticipated to receive shares of Class A Voting Common Stock ("Class A Stock") of the new company and holders of a Class B Interest are anticipated to receive shares of Class B Non-Voting Common Stock ("Class B Stock") of the new company. References to the "Company" in this preliminary term sheet include the Company as reorganized.

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In lieu of the foregoing, as part of the Reorganization, the Company may elect to cause uvview to issue shares of its capital stock ("uvview Stock") to certain existing equity owners in the Company. uvview owns ten units of Class A Interests in the Company for each share of its issued and outstanding common stock. In the event the Company elects this option, the number of shares of uvview Stock to be issued shall be one-tenth of the amount that would have been issued by the Company and the exercise price per share shall be ten times greater.

5. Management of the Company. The Company is currently managed by a Managing Board consisting of two managers ("Managers"), Simon and Eliot Bernstein, both of whom were elected by the Class A Members. After the Reorganization, the Company is expected to have a Board of Directors consisting of four persons, including the two existing Managers of the Company, together with Brian Utley (the Company's existing Chief Operating Officer) and Gerald Lewin.

6. Sales to Investors. The offering of the Class A Shares will not be registered under the Securities Act, and the Class A Shares are expected to be offered in reliance upon the exemption under Section 4(2) of the Securities Act and the provisions of Regulation D promulgated thereunder. The offering will be limited to "accredited investors", within the meaning of Regulation D under the Securities Act.

7. Risk Factors. The Class A Shares to be offered will be highly speculative, will involve a high degree of risk, and therefore, should not be purchased by anyone who cannot afford the loss of his or its entire investment.

8. No Offering; Private Placement Memorandum. Nothing herein shall constitute an offer to sell, or the solicitation of an offer to buy the Class A Shares described herein. Any such offer or solicitation shall be made solely, if at all, by a private placement memorandum or term sheet and certain related documentation. The private placement documentation is expected to contain, among other things, risk factors, a description of the Company and its proposed business and subscription documents. The descriptions and terms set forth in this preliminary term sheet are subject to change,

addition or termination by the Company in its sole discretion. No person may rely upon any oral statements or representations, but must rely solely on the private placement documents.

***NO PORTION OF THIS PRELIMINARY TERM SHEET
OR ANY EXHIBITS HERETO MAY BE COPIED OR DISTRIBUTED
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**Are you ready to play
with the Big Boys?**

InternetNews.com

Business News

IBM Establishes Incubator Fund

Cyrus Afzali, InternetNews.com Managing Editor

January 14, 2000

Business News Archives

IBM Corp. Friday established a \$500 million fund to help finance early-stage Internet companies.

IBM (IBM) will work with venture capital firms to provide their clients with IBM hardware, software and services. The assistance will be earmarked for companies which have already completed one round of financing.

"We recognize that next generation companies have unique requirements and we are committed to delivering flexible, creative financing options that will support their needs and enable them to grow their businesses," said William Doscas, IBM Global Financing's vice president of financial products and sales operations.

IBM plans to expand relationships with venture capital firms that invest in Internet companies. It will offer those emerging firms additional funding to expand information technology infrastructure.

Already, IBM provides funding to venture capital firms that work with Internet companies. The computer giant also has an incubator fund which supplies technology and services to early-stage firms.

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<http://www.internet.com>

Y16/00
Fax to: Brian Utley
Eliot Bernstein

Brian, do you have any access to
the IBM incubator / VC fund?

Let us know.

Best,

Alan Fink

File: incunit / 1st step funds

Confirmation Report-Memory Send

Time : Jan-18-00 03:51pm
Tel line 1 :
Tel line 2 :
Name : ARMSTRONG & HIRSCH

Job number : 058
Date : Jan-18 03:50pm
To : 8662#3744#0001#15619998810
Document Pages : 02
Start time : Jan-18 03:50pm
End time : Jan-18 03:51pm
Pages sent : 02
Job number : 058

*** SEND SUCCESSFUL ***

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ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER
1888 CENTURY PARK EAST, 18TH FLOOR
LOS ANGELES, CALIFORNIA 90067
TELEPHONE (310) 553-0305 TELECOPIER (310) 553-5036

TELECOPIER TRANSMITTAL SHEET

DATE January 18, 2000
RECIPIENT: Mr. Eliot Bernstein 561-999-8810
Mr. Brian Utley
FROM: Alan J. Epstein, Esq.
CLIENT/MATTER: 3744-0001
RE: Internet Updates
NUMBER OF PAGES: 2 (including cover page)

MESSAGE:

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential or exempt from disclosure under applicable Federal or State law. If the reader of the message is not the intended recipient or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited.

If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address via regular U.S. mail.

If all pages are not received, please contact sender at (310) 553-0305. Thank you.
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1888 CENTURY PARK EAST, 18TH FLOOR
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(310) 553-5036

OF COUNSEL
ALLAN L. ALEXANDER
ARTHUR O. ARMSTRONG
RONALD J. BASS
GERALDINE S. HEMMERLING

OUR FILE

May 24, 2000

*ALSO ADMITTED IN NEW YORK

VIA MESSENGER

Mr. Gregg W. Ritchie
Pacific Capital Group, Inc.
360 N. Crescent Drive
Beverly Hills, CA 90210

Re: iviewit.com

Dear Gregg:

I very much enjoyed meeting you for lunch last week. As promised, enclosed is a copy of the Business Plan for our client, iviewit.com.

Iviewit has developed two proprietary and complimentary technologies to enhance video and images delivered on the internet. The first is a state-of-the-art technology which enables full-screen, full-frame rate (i.e., 30 frames per second) streaming video to be viewed by any internet video player at bandwidths as low as 150 kbps, with increased quality and reduced file size. The second digital imaging technology creates an opportunity for full screen still images and 360° panoramic views that can be magnified with minimal image distortion.

Iviewit has protected its technologies by filing and securing eight patent pending applications, and is currently buffering and expanding those patents through a significant supplemental filing. Iviewit is represented by several of the most prominent patent law firms and attorneys in the world. Bill Dick, who is the most senior member of the intellectual property department of Foley & Lardner in Milwaukee, Wisconsin, was formerly in charge of IBM's patent and licensing operations in the Far East and in other territories. Mr. Dick and his patent team of attorneys are preparing all of iviewit's supplemental patent filings and are drafting all of iviewit's license agreements. Iviewit's potential patent litigation (if any) will be handled by Ken Rubenstein, who is the head of intellectual property litigation group at the law firm of Proskauer Rose in New York City. Mr. Rubenstein is in charge of all patent litigation on behalf of the MPEG patent pool, in addition to a number of other high-profile technology litigation matters.

Mr. Gregg W. Ritchie
May 24, 2000
Page 2

Iviewit has licensed its technology and providing services to a number of substantial clients, such as Hollywood.com, Broadway.com, Hyatt Hotels and Resorts, and Great Expectations Dating Service. Iviewit also is in final negotiations to license its technology to Playboy.com, MedicalOnline.com (x-rays, MRI's CT-scans, etc.) AmericanEnterprise.com (multi-hour surgical and educational videos), GregManningAuctions.com (one of the largest auction houses) and many other clients in the entertainment, health care, automotive and other industries.

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The iviewit technology is most easily explained through a demonstration. If Pacific Capital or its Venture Group are interested in learning more about the company in the context of a Series A and/or Series B round investment or other strategic relationship, please let me know and I will arrange to have the principals fly to Los Angeles for a meeting. Although you can see some of the company's technology and applications on the website (www.iviewit.com), the highest-quality work is not available for public viewing and is best seen through a private demonstration.

I look forward to hearing from you.

Best regards.

Very truly yours,

Alan J. Epstein

Mr. Gregg W. Ritchie
May 24, 2000
Page 3

AJE/rdq

G:\WP\AJE\LETTERS\RITCHIE.COM

cc: Mr. Eliot Bernstein
Mr. Brian Utley
Mr. Maurice Buchsbaum
(w/o encls.)

Mr. Gregg W. Ritchie

May 24, 2000

Page 4

bcc: Michele M. Mulrooney, Esq.
James R. Jackoway, Esq.

LAW OFFICES

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GERALDINE S. HEMMERLING
OUR FILE

June 21, 2000

3744-Series B

VIA FAX AND MAIL

Mr. Gregg W. Ritchie
Pacific Capital Group, Inc.
360 N. Crescent Drive
Beverly Hills, CA 90210

Re: iviewit.com

Dear Gregg:

Just a quick note to inquire as to the status of Pacific Capital's review of the iviewit.com materials which I sent to you on May 24, 2000 (copy of cover letter attached). Please let me know if you have any further questions.

Best regards.

Very truly yours,


Alan J. Epstein

AJE/rdq
G:\WP\AJE\LETTERS\RITCHIE2.DOC

Mr. Gregg W. Ritchie

June 21, 2000

Page 2

bcc: Mr. Eliot Bernstein
Mr. Brian Utley
Mr. Maurice Buchsbaum
Michele M. Mulrooney, Esq.
James R. Jackoway, Esq.
(w/o encls.)

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Mr. Gregg W. Ritchie
May 24, 2000
Page 2

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Best regards.

Very truly yours,

Alan J. Epstein

Mr. Gregg W. Ritchie
May 24, 2000
Page 3

AJE/rdq
G:\WP\AJE\LETTERS\RITCHIE.COM
cc: Mr. Eliot Bernstein
Mr. Brian Utley
Mr. Maurice Buchsbaum
(w/o encls.)

Epstein, Alan

From: Eliot I. Bernstein [eliot@iviewit.com]
Sent: Monday, March 19, 2001 7:17 PM
To: Donald G. Kane II (E-mail); Simon L. Bernstein (E-mail); Alan J. Epstein (E-mail)
Subject: Capitalization Table as of 2001 02 22.xls



Capitalization Table as
of 2001

iviewit /
Eliot Bernstein

iviewit Holdings, Inc.
Capitalization Table

As of 2/22/01

Shareholder	Date	Security / Shares	Consideration \$	Price Per Share \$	Authorized			Options/Warrants			% of Total Shares Fully Diluted	
					Shares Issued			Class A	Class B	Convertible Debt		Notes
					Class A	Class B	Preferred					
Outstanding 12/31/00 David Colter	2/8/01		4,364,000	387.59	28,242	48,945	4,704	2,891	9,508	4,588	100 shares vest immediately, 95 shares vest at the conclusion of 12 months, 95 shares vest at the conclusion of 24 months, 94 shares vest at the conclusion of 36 months.	99.50%
Loans by Stockholders and Friends Andrew Dietz	2/23/01 2/23/01		42,093 516	387.59 387.59						109 1	Interest on convertible notes accrued from 2/23/00 through 2/22/01 Interest on convertible notes accrued from 2/23/00 through 2/22/01	0.39% 0.11% 0.00%
Outstanding to Date			4,406,609		28,242	48,945	4,704	2,891	9,892	4,698		100.00%

**iviewit Holdings, Inc.
Capitalization Table**

As of 2/22/01

Shareholder	Date	Security / Shares	Consideration \$	Price Per Share \$	Authorized Shares Issued			Options/Warrants			Notes	% of Total Shares Fully Diluted		
					200,000	400,000	100,000	Class A	Class B	Class A			Class B	Convertible Debt
					Shares Issued									
Eliot I. Bernstein	6/29/99		9,410.00	0.50	11,320	7,500					Founders Shares.	18.94%		
Simon L. Bernstein	6/29/99		5,175.00	0.50	5,350	5,000					Founders Shares.	10.42%		
The Joshua Bernstein 1999 Trust	6/29/99		1,207.50	0.50		2,415					Founders Shares.	2.43%		
The Jacob Bernstein 1999 Trust	6/29/99		1,207.50	0.50		2,415					Founders Shares.	2.43%		
Gerald R. Lewin & Barbara S. Lewin	6/29/99		1,000.00	0.50		2,000					Founders Shares.	2.01%		
Erika R. Lewin	6/29/99		125.00	0.50		250					Founders Shares.	0.25%		
Jennifer P. Lewin	6/29/99		125.00	0.50		250					Founders Shares.	0.25%		
James Osterling	6/29/99		625.00	0.50		1,250					Founders Shares.	1.26%		
James Armstrong	6/29/99		875.00	0.50		1,750					Founders Shares.	1.76%		
Guy Iantoni	6/29/99		625.00	0.50		1,250					Founders Shares.	1.26%		
Jill Iantoni	6/29/99		625.00	0.50		1,250					Founders Shares.	1.26%		
Andrew Dietz	6/29/99		625.00	0.50		1,250					Founders Shares.	1.26%		
Donna Dietz	6/29/99		625.00	0.50		1,250					Founders Shares.	1.26%		
Patricia Daniels	6/29/99		625.00	0.50		1,250					Founders Shares.	1.26%		
Bettie Stanger	6/29/99		250.00	0.50		500					Founders Shares.	0.50%		
Lisa Friedstein	6/29/99		1,250.00	0.50		2,500					Founders Shares.	2.52%		
Donald G. Kane, II	6/29/99		831.50	0.50		1,663					Founders Shares.	1.67%		
Brian G. Utley	8/3/99		857.00	0.50		1,714					Signing Bonus.	1.72%		

INVESTTECH Holdings L.L.C.	10/29/99	500,000.00	166.28	3,007						Angel investment.	3.03%
Emerald Capital Partners, Inc.	12/20/99		166.70					1,250		Warrants issued at \$166.70 per share as an engagement fee for joining the Board and the Advisory Board and as an inducement for raising capital.	1.26%
Emerald Capital Partners, Inc.	12/20/99		308.30					1,000		Warrants issued at \$308.30 per share as an engagement fee for joining the Board and the Advisory Board and as an inducement for raising capital.	1.01%
Outstanding 12/31/99		526,064		19,677	35,457	0	0	2,250	0		57.75%

viewit Holdings, Inc.
Capitalization Table

As of 2/22/01

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					200,000	400,000	100,000	Class A	Class B	Convertible Debt			
					Class A	Class B Non-Voting	Class A Preferred	Class A	Class B				
Outstanding 12/31/99					19,677	35,457			2,250	522			37.75%
Joan Stark	1/10/00	522	\$26,064	167.62								Convertible note, 1/10/00 @ 7% - 3 years for office furniture.	
Alpine Venture Capital Partners LP	3/2/00		875,000	387.59			2,580					Venture Capital Equity Investment.	0.53%
Emerald Capital Partners, Inc.	3/2/00		1,000,000	387.59								Warrants issued at \$387.59 per share in consideration for the Alpine Venture Capital investment.	2.60%
Leans by Stockholders and Friends	2/23/00		350,771	387.59			258			905		Convertible notes with accrued interest through 2/23/00.	0.26%
Jason Gregg	3/29/00		250,000	387.59	645							Investor	0.91%
Michael Roate	4/18/00			387.59					522			Employment Package Warrants at \$387.59.	0.65%
Michelle Welsh	6/9/00		30,232	387.59	77							Purchased 77 shares at \$387.59 with an equity kicker of 53 Warrants exercisable @ \$387.59.	0.53%
Ken Anderson	6/13/00		50,000	387.59	129							Investor.	0.13%
Raymond Hersh	7/1/00					10,35						Consideration for consulting services.	0.13%
Alpine Venture Capital Partners LP	7/19/00						2,580					Equity Kicker matching 2/00 contribution. Issued 7/19/00 @ \$387.59.	0.01%
Margaret Buchbaum	8/15/00			36.22					1,930			Consideration for Crossbow 2 & Crossbow 3 and in connection with employment agreement dated 7/1/00 exercisable @ \$16.22 per share.	2.60%
Ken Lockwood	8/17/00			387.59					313			Employment Package Warrants at \$387.59.	1.94%
Steve Sklar	10/1/00			387.59					206			Employment Package Warrants at \$387.59.	0.33%
Raymond Hersh (S)	10/1/00			387.59					700			Employment Package Warrants at \$387.59.	0.21%
Alan Young	10/16/00								250			5 yr Warrants exercisable at \$155 per share in payment for services rendered.	0.70%
Armstrong Hirsch, Jackelway, Tyerman & Werthamer, P.C.	10/18/00								508			5 yr Warrants exercisable at \$387.59 per share in payment for services rendered.	0.25%
Tidhi 4	1/18/00								250			5 yr Warrants exercisable at \$155 per share in payment for services rendered.	0.57%
Tidhi 4	1/18/00								125			5 yr Warrants exercisable at \$387.59 per share in payment for services rendered.	0.25%
Andrew Diez	1/28/00		25,000	387.59					65			In consideration for the advance of \$25,000 in a convertible note. Per agreement will receive 2.58 class B warrants per \$1,000 due at maturity. 2/23/03.	0.13%
Alpine Venture Capital Partners LP	12/13/00		1,200,000						3,096			Convertible Debt, automatically and mandatorily converted to shares at the same valuation of an ensuing equity financing, where the company receives at least \$10,000,000.	0.07%
Alpine Venture Capital Partners LP	12/13/00		823,241	387.59		2,124						\$800,000 Note dated 7/19/00. Converted with accrued interest at the 12/13/00 funding.	3.12%
Alpine Venture Capital Partners LP	12/13/00		21,192		7,714	13,478						Equity Kicker in consideration for 12/13/00 funding.	2.14%
Happy Foot Living Trust	12/27/00			155.00					68			5 yr Warrants - exercisable at \$155 per share as designated by Ellen DeGeneres.	21.33%
Heche Trust	12/27/00			155.00					34			5 yr Warrants - exercisable at \$155 per share as designated by Ellen DeGeneres.	0.07%
Lauren Lloyd Living Trust	12/27/00			155.00					34			5 yr Warrants - exercisable at \$155 per share as designated by Ellen DeGeneres.	0.03%
Tidhi 4	12/27/00			155.00					14			5 yr Warrants - exercisable at \$387.59 per share as designated by Alanis Morissette.	0.01%
Alanis Morissette	12/27/00			387.59					100			5 yr Warrants - exercisable at \$387.59 per share as designated by Alanis Morissette.	0.10%
Scott Welch	12/27/00			387.59					13			5 yr Warrants - exercisable at \$387.59 per share as designated by Alanis Morissette.	0.01%
Tidhi 4	12/27/00			387.59					12			5 yr Warrants - exercisable at \$387.59 per share as designated by Alanis Morissette.	0.01%
Provision for Employee Options									2,109				0.01%
Outstanding 12/31/00			4,364,000		28,242	48,945,35	4,704	2,891	9,508	4,588			99.50%

**iviewit Holdings, Inc.
Capitalization Table**

As of 2/22/01

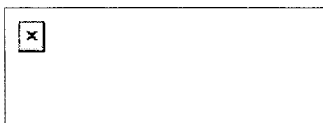
Shareholder	Date	Security / Shares	Consideration \$	Price Per Share \$	Authorized			Options/Warrants			% of Total Shares Fully Diluted	
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Andrew Dietz	2/23/01		516	387.59						1	Interest on convertible notes accrued from 2/23/00 through 2/22/01	0.11%
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INVESTORS
STAGE I SERIES A
GENERAL
3744-0009.2.1 (138 - MMM)
IVIEWIT.COM

Epstein, Alan

From: Eliot I. Bernstein [eliot@iviewit.com]
Sent: Monday, October 09, 2000 8:08 AM
To: 'lise@technologypartners.com'
Cc: Brian G. Utley; Maurice R. Buchsbaum; Alan J. Epstein (E-mail); Ira Ehrenpreis (E-mail)
Subject: iviewit
Importance: High



www.iviewit.com

Dear Lise,

Per your last email, I have attached some clients for you to contact:

Customer References

- 1) Hollywood.com / Broadway.com = Michael Payne, Executive Producer 561-998-8000
- 2) Hyatt Hotels, Maureen Meyer, Manager of Marketing 312-750-8033
- 3) Virtual Education, Robert SLider, COO (407) 774-8001
- 4) Cura Group, Barry Jolly, President of Distance Learning 954-294-2139
- 5) Gear Magazine, Inc., Naomi Middelmann, General Manager (212) 771-7002
- 6) Greg Manning Auctions, Anthony Bongiovanni, CTO (800) 221-0243
- 7) JM Lexus, Michael Knapton, Director of Technology (954) 969-3248
- 8) Signature Eyewear, John Colucci (310) 330-2700
- 9) Z.com, Kyle Hanley, Director of Operations & Planning (818) 260-2503
- 10) Documentation Services International, Carl Lucci, President 727-596-1766

*R: iviewit /
Series A /
Technology
Partners*

Again, thank you for your time, effort and consideration of iviewit Technologies, Inc. Please give me a holler if you need any additional information at any of the addresses below.

Best regards,

Eliot

Eliot I. Bernstein
Founder & Vice Chairman

iviewit.com
2255 Glades Road
Suite 337 West
Boca Raton, FL 33431

10/10/00

email: eliot@iviewit.com
palm: iviewit@palm.net
Web: www.iviewit.com
Voice: 561.999.8899
Fax: 561.999.8810
Toll: 877.484.8444
Cell: 561.212.9254

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Quinn, Roxane

From: Alan Epstein [ajepstein@earthlink.net]
Sent: Wednesday, August 16, 2000 7:32 AM
To: Eliot I. Bernstein
Cc: Michele Mulrooney; Roxane Quinn
Subject: Re: Series A Investors

Yes at Kleiner, and can get to the right guys at Benchmark. One of my relatives was a former partner at Kleiner. He now runs his own Biotech VC fund. He's always helpful in getting me to the right guys up there. So I can call him for the intros when we're ready to set up meetings. I still haven't heard back yet from Technology Partners, altho I'm expecting to hear from them soon.

I'll be back in the office next Monday. Impossible to reach until then other than by email. Right now I'm sitting on a deck at an altitude of 7500 feet watching the sun rise over the Great Western Divide. Gorgeous!

Talk to you soon. AJE

"Eliot I. Bernstein" wrote:

Alan - Do we have connects at Kleiner and Benchmark?
 -----Original Message-----
From: Epstein, Alan [mailto:AEpstein@AHJTW.com]
Sent: Friday, August 11, 2000 1:19 PM
To: buchs@bellsouth.net
Cc: Bernstein, Eliot (Bellsouth) (E-mail); Brian G. Utley
Subject: RE: Series A Investors

thx for the note. we can explain the wachovia situation and your perspective on this when we meet with ira. sounds logical to me. as to whether or not the other Silicon Valley VC firms will not be interested because we're based in Florida, that remains to be seen. i would think that the size and scope of this platform technology would help us to cross state lines. talk to you soon. ajje

-----Original Message-----
From: maurice r. buchsbaum [mailto:buchsb@bellsouth.net]
Sent: Thursday, August 10, 2000 8:25 PM
To: Epstein, Alan
Subject: Re: Series A Investors

Dear Alan:

Thank you for your thoughts and considerable work on behalf of iviewit and its current financing needs. With respect to the Kleiner and Benchmark

8/17/00

possibilities, I think you will find that the larger groups such as this are more interested in "California" and related area investments and rarely go outside their area. Even with our move of a sales office to LA, they will view the Company as Florida based at this time. Further, in recent transactions by both of these entities, they are "processing" large numbers of venture deals (primarily because of their sheer size and investment requirements), and are less likely to meet our timely and smaller investment needs. However, I think that your other possibilities such as TMCT Ventures, Technology Partners and others that are cordial to your firm are a much better bet for iviewit at this time.

With regard to

Epstein, Alan wrote:

- > I spoke today with Michael Song of TMCT Ventures. I had to send him another
- > copy of the biz plan, so they aren't out yet. I also spoke today with Ira
- > Ehrenpreis, who is a partner at Technology Partners. This is a Palo Alto
- > based investment bank which runs a number of VC funds. They recently closed
- > a \$250M IT oriented fund. I pitched iviewit hard, and he seemed to get it
- > and appreciate the possibilities. Ira is a friend of mine, and I think he
- > will give it very serious consideration. We should anticipate making a trip
- > to the Bay Area in the next few weeks to meet with Technology Partners.
- We
- > also may want to meet one or two more VC firms, like a Kleiner Perkins or
- a
- > Benchmark. We also should go meet with our San Francisco-based client
- > MusicBank.com, which is going to encode every CD and every DVD ever made.
- > They are interested in discussing an overall license or processing deal
- with
- > iviewit.
- >
- > Incidentally, Ira Ehrenpreis mentioned that he does not believe that
- > Wachovia should be our first choice for the Series B round. He didn't
- > believe that they would be viewed by Wall Street as a strategic or
- > synergistic investment bank in this particular sector. I told him that we
- > were talking to many different companies, but that Wachovia so far has
- been
- > the most aggressive. Maurice, I'd appreciate your thoughts on this.
- >
- > Talk to you soon. AJE

Epstein, Alan

From: Epstein, Alan
Sent: Friday, August 11, 2000 10:19 AM
To: 'buchs@bellsouth.net'
Cc: Bernstein, Eliot (Bellsouth) (E-mail); Brian Utley (E-mail)
Subject: RE: Series A Investors

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to: iviewit / Series A

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been

> the most aggressive. Maurice, I'd appreciate your thoughts on this.

>

> Talk to you soon. AJE

Epstein, Alan

From: Epstein, Alan
Sent: Wednesday, June 28, 2000 10:12 AM
To: 'eliot@iviewit.com'
Cc: Brian Utley (E-mail); Maurice R. Buchsbaum (E-mail); Jackoway, James; Mulrooney, Michele; Ken Anderson (E-mail); Kane, Don (E-mail)
Subject: iviewit -- global crossing

I'll be in Chicago next week with the family. The biz will be largely shut down due to the short holiday week.

I spoke this a.m. with the Managing Directors of Global Crossing's investment group (Pacific Capital). After reviewing the business plan and hearing my "pitch", they want to meet with you and learn more about the company. They have looked at virtually every other streaming video technology company and ASP provider, and have not yet made a definitive play. Their goal is to find technologies which compliment their core business of delivering bandwidth, and to make the pipes smarter and more useful. They will want to compare and contrast you with everyone else in the market. There is no better smart money (or deeper pockets) available today than them.

I'd like to attend this meeting with you (can Maurice come in for this one too?). Any chance of you staying here till the following week? Maybe I can set up meeting there on the following Monday. Also will give me some time to set up Universal and TMCT Ventures meetings.

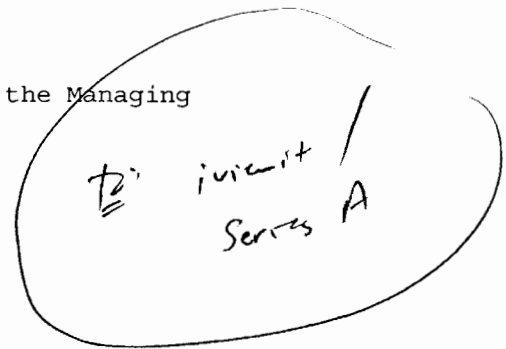
With whom did you meet at Jump and Universal? Let me know ASAP, as I'm meeting with Randall Kaplan (Founder/CEO of Jump) tomorrow.

Regards. AJE

PS Ken, do you know Gregg Ritchie or Rob Webster (they are the Managing Directors)? Formerly KPMG guys.

-----Original Message-----

From: Eliot I. Bernstein [mailto:eliot@iviewit.com]
Sent: Wednesday, June 28, 2000 8:29 AM
To: 'Epstein, Alan'
Subject: RE: stuff
Importance: High



to: iviewit / Series A

Will be out in CA next Thursday. Met with Jump and it went well, will try to schedule follow-up next week. See you next week.

EIB

-----Original Message-----

From: Epstein, Alan [mailto:AEpstein@AHJTW.com]
Sent: Tuesday, June 27, 2000 8:03 PM
To: Bernstein, Eliot (Bellsouth) (E-mail)
Cc: Mulrooney, Michele; Jackoway, James; Cannon, Traci; Brian Utley (E-mail)
Subject: stuff

couldn't set up the meetings with Universal while you were here, although they are interested in meeting with you next time. I'm meeting with Randall Kaplan and Jump on Thursday. I've got a conference call scheduled tomorrow morning with Global Crossing's investment group. Another meeting set up in

2 weeks with TMCT ventures (the \$550M fund). will keep you posted. in
the
meantime, please get me the names of the universal folks you met with at
showbiz expo. aje

ps did you meet with jump?

Epstein, Alan

From: Epstein, Alan
Sent: Thursday, December 30, 1999 9:35 AM
To: 'Utley, Brian'
Cc: 'Wheeler, Chris'; 'Bernstein, Eliot (Bellsouth)'; 'Bernstein, Eliot (netline)'; 'Bernstein, Simon'; Mulrooney, Michele; 'Kane, Don'; 'Friedstein, Jeff (GS)'; 'Friedstein, Jeff (MSN)'; Hayum, George; Jackoway, James
Subject: Iviewit Private Offering

Brian:

I just received the letter soliciting \$500k from the existing shareholders of iweiw at a \$10M valuation. For the same reasons we didn't want to bring in the bridge financing in at a \$25M valuation, given that we would be going out soon thereafter for a valuation of up to \$100M, it is not helpful to our valuation position to be doing an "internal" round at a \$10M valuation. I recommend that the same approach be taken for the internal and bridge financing, namely, the issuance of a convertible security with the number of shares being determined based on the greater of: (i) \$10M (for the internal round) or \$25M (for the bridge round) or (ii) 75% of the company valuation determined by any outside funding closed within the next 120 days. Another alternative is to raise the \$500k as straight debt, with the expectation that it will be repaid out of the next round of funding.

I also would like to discuss with you and Chris the decision to convert iweiw to a corporation at this stage. The decision ultimately hinges on the company's exit strategy and operational plans during the next 12 months or so. Corporate status will be required to complete an IPO or to do a tax-free reorganization. But it will result in the imposition of double taxation, which may be a real cost under the licensing company model since the company is expected to achieve profitability soon after launch, and will prevent any buyer of the company from getting a tax-free step-up in basis in the company's assets. One option is to stay as an LLC and let our next round of investors decide whether they want to invest in a corporation or LLC. We may want to consult with a Palo Alto based VC law firm to see what they would recommend.

Wishing you and your family much success and happiness in the new millenium!

Regards,

Alan J. Epstein
aepstein@ahjtw.com
tel. 310/553-0305
fax. 310/553-5036

PS Brian, please foward a copy of this email to Gerry Lewin, as I don't have his email address (also please send me that address).

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to: parent / 1st stage funding

Epstein, Alan

From: Epstein, Alan
Sent: Friday, December 24, 1999 4:23 PM
To: 'Nybakken, Kris'
Subject: iviewit

fyi, we decided to scrap becoming a content company. licensing only is the model. will use some splashy supermodel driven content (or something like it) to launch. looking for \$10M now at a \$100M post-money valuation. the consultants we brought in believe, that if the technology is at it appears, that the current value of the company is substantially in excess of \$100M (one guy thought that \$250M was a slam dunk, possibly up to \$500M), with the ultimate value in the billions. they were blown away.

more detailed update to follow. give me a call next week if you're working.

wishing you and your family a beautiful christmas and the happiest of new years!

best, alan epstein

To: iviewit / ivestus

Epstein, Alan

From: Epstein, Alan
Sent: Monday, November 08, 1999 10:17 AM
To: 'Nybakken, Kris'
Subject: iveiwit.com

Kris:

We represent a technology/licensing company named iveiwit, LLC. They have developed proprietary streaming video and imaging technology which is better than anything else available on the internet today. They recently raised \$500k of seed money from Huizenga's V.C. division. Looking to raise up to an additional \$2M now. Check out their site, <http://www.iveiwit.com>. They are looking for more than just money. Want to find a strategic and/or synergistic investor. I immediately thought of Petkevich & Partners due to your firm's "money plus" approach. If you're interested, please call me to discuss ASAP.

Best, Alan Epstein
aepstein@ahjtw.com
tel. 310/551-4463

To: iveiwit/
Value Cap. 2M or
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670-997
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CROSSING THE POND

Pearson TV creates laffers for U.S., U.K.

By CHRIS PURSELL

Bridging that big pond, the Atlantic, may get a little easier now that Pearson Television has created Little Pond Television to develop comedy formats for the U.K. and the U.S.

Pearson execs announced that Juliet Blake, currently Pearson's senior VP, will spearhead the new divi-

sion and that four projects are already in development on cable and network channels on both sides of the pond.

"Little Pond will offer opportunities in the U.K. for American writers and creators whose pilots don't find themselves on the network or cable programming schedules in the U.S.," said Jamie Bennett, chief exec of worldwide productions for Pearson.

"Likewise, creators and producers of short-run series in the U.K. may find Little Pond to be the back-door entry they need to access the U.S. cable and broadcast networks."

Blake shaped the idea for the company after developing sitcoms for NBC, Paramount and Brillstein-Grey (now Basic Entertainment) in the U.S. and with the BBC in the U.K.

New life for pilots

"Little Pond has been created to take the best of both the British and American worlds and create opportunity for formats in both markets," Blake said. "Many high quality pilots in both countries go untried, which is a source of frustration for the creative community. Little Pond will now offer an alternative avenue for their property."

Already in production is "Hairy," a pilot developed for NBC under the name "Animals," for BBC1. Blake serves as exec producer and Simon Nye, the creator of the original British sitcom "Men Behaving Badly," is both writer and creator of the series.

Other projects on the table include a pilot commitment for "Single Cell" for Comedy Central, a forensics series for Court TV, and "Cry Wolf," which is in development with Paramount and Bristol Cities for NBC and which will be based on the Canadian series of the same name.

Additionally, Little Pond has acquired the long-running Australian sitcom "All Together Now" as part of the company's assets.

18

*TD - Investment
 1st size Investor*

Biondi cracks Yack in latest 'Net foray

By MARC GRASER

Frank Biondi Jr. further broadened his stake in the Internet Tuesday, investing in and joining the board of Yack.com, an Internet guide to live online events.

Yack.com's guides send users to more than 10,000 Web events produced each week. The site also features a searchable database of listings, editorial reviews and content.

Yack.com declined to disclose the amount Biondi invested.

Exec tapped

Also Tuesday, the New York-based company said it has tapped three executives in the hopes of expanding the venture: Ranbir Singh as senior VP of finance and administration; Ellen Kaye, VP of marketing; and Jeffrey Litvack, VP of business planning.

Singh, also an investor in the company, most recently was direc-

tor, finance and operations accounting, at Vanstar Corp. He also held management roles at Beatrice and at Arthur Andersen.

Kaye will be responsible for developing Yack.com's brand positioning and the company's marketing efforts and public relations.

Most recently, she was VP of enterprises for USA Networks. Prior to that, she instituted the enterprises division at USA Networks and managed the development of the division's new-media activities, including content development and production, marketing, ad sales, e-commerce and strategic alliances.

In addition to his post, Litvack will also be responsible for coordination of the company's legal affairs.



Biondi

Turn to page 38

Marin to give latenight Chi new femme touch

HENDERSON N

By CHARLES LYONS and CHRISTIAN MOERI

Veteran agent Scott Henderson has an favor to ask: He wants to join the Major Clier Henderson had been at Favorite Art years.

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Legal and biz affairs

BY ANGELINA CHEN

NEW YORK — Melissa Polaner has been upped to VP of law and business affairs for Nickelodeon.

In her new post, Polaner will beoversee production, development and acquisition deals for Nickelodeon Prods. with co-production partners, licensors, producers, writers, directors and other talent. She will report to Andra Shapiro, senior VP and general counsel of Nickelodeon.

"Melissa's superb negotiating skills, coupled with hands-on knowledge of the production process, have made her an invaluable member of our team," Shapiro said. "In her two years at Nickelodeon, she has demonstrated a talent for protecting Nickelodeon's interest while achieving mutually desirable results in business deals."

Polaner was previously chief counsel for Nick's production and development units. Prior to joining Nickelodeon, Polaner was a corporate associate at Hill & Barlow and a producer on "Kids Court" and the Talent Pool.

is that the most compelling storyline so far this season has been the tension surrounding former Golden State Warriors' player Latrell Sprewell's return to San Francisco as a member of the Knicks. It was Sprewell's first visit since he choked Warriors coach P.J. Carlesimo, an attack that caused Sprewell's banishment from the Warriors and suspension from the NBA for more than a year.

For the first eight NBA broadcasts of the 1999-2000 season, TNT is averaging only a 1.6 rating in cable homes compared with a 2.0 rating for the comparable period in 1997, which covered nine games.

In contrast to TNT, which schedules games every Tuesday and Friday, TBS schedules only one game a week, on Wednesday. In the three TBS games so far this season, the network is averaging a 1.8 rating in cable homes, 6% higher than the 1.7 rating in 1997.

one place and reach cable and satellite audiences across the country," said Televisa research veep Ariana Azcarraga at a Monday press conference.

The initiative was spearheaded by pay TV veep Jorge Alvarez, who has been charged with making the biz more efficient — part of a corporate-wide program — and he is seeking to expand the division's share of the ad pie.

Broadcast still leads

Broadcast TV — particularly Televisa's four channels — still grabs the lion's share of overall ad spending in Mexico.

Pay TV penetration is low at 15% of TV homes, or about 5 million. Despite the attractive demo of subscribers, advertisers continue to devote just a small percentage of their ad budgets to pay TV, in part due to the highly fragmented audience.

Televisa expects the bulk of its pay TV ad biz to come through pre-sales, giving advertisers until Dec. 15.

Ironically, Mexico's cable piracy problem is giving Televisa a hand when setting pay TV rates: Stats on cable channel viewership were 45% higher than official rates to allow for illicit connections.

(Mary Sutter in Miami contributed to this report.)

Biondi invests in online guide

Continued from page 6

He was a manager in the media and telecom practice at Mitchell Madison Group in New York.

The trio will report to Jeff Morris, prexy and CEO of Yack.com.

"I am thrilled that Yack will be able to benefit from Frank Biondi's expertise in the entertainment, financial and new-media fields," Morris said.

Biondi's investment in Yack.com comes just after the former Universal

and Viacom CEO has taken stakes in Netcasters SightSound.com and AtomFilms as well as online editorial site Creative Planet through his investment arm WaterView Partners.

"Yack has proven itself to be the best of breed in the area of connecting consumers to new forms of online content," Biondi said. "Yack will permanently impact the way people use the Internet to stay entertained, educated and informed."

EXEC SHUFFLE

Gotham-based Winstar Communications has tapped Leslie Zeller Schwartz as VP of marketing and communications for the company's new-media division.

Reporting to new-media exec VP and chief operating officer Ruth Shields, Schwartz will oversee and implement publicity drives for the division, which subsumes the company's TV & Video Division.

Chelsye J. Burrows has been named director of multicultural communications for Encore Media Group.

Burrows, who joins Encore from advertising agency UniWorld Group, will oversee ethnic audience PR for all 13 Encore movie channels. She will assume the PR

Bravo Danny Devito

On Receiving

The Women in Film

Martini Shot Mentor Award

From Your Straight-Up

Martini Apprentices

X7323
BARRY HIRSCH
ARMSTRONG & HIRSCH
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STE 1888
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11875 12/20/99

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JDO

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70th year

December 3-5, 1999

\$1.50 (California) \$2.65 (Elsewhere)

Graham, Klein have their 'Say' in Fox comedy

By Zorianna Kit



Graham

Heather Graham is in final negotiations and "American Pie" star Chris Klein is set to star in the 20th Century Fox comedy "Say It Isn't So," to be produced by the Farrelly brothers.

The project reteams Klein with J.B. Rogers, a first assistant director on "Pie" who is making his feature film directing debut on "Say." A Feb. 22 start is planned in Los Angeles.

See "SAY" on page 61

Feature bout: 'Mat' hops into Lions Gate ring

By Dana Harris

Lions Gate Films is in final negotiations to pick up domestic distribution rights to Imagine Entertainment wrestling documentary "Beyond the Mat," after a



Grazer

corporate conflict of interest left the film looking for a distributor.

"Mat," the directorial debut of Barry Blaustein — a screenwriter on the 1996 Imagine/Universal

See "MAT" on page 65



The venerable "Rudolph the Red-Nosed Reindeer" has legs for CBS. See page 61.

KABC big broom with L.A. sweep

Late news winners: KTLA, KNBC

By Cynthia Littleton

The November sweep produced a few local Nielsen upsets: KABC swept the early fringe local news competition for the first time since May 1996, and KTLA's "News at 10" posted its first victory since February 1996.

Buoyed by "Who Wants to Be a Millionaire," KABC also notched its first primetime victory over

KNBC and Fox's KTTV in five years. KABC was up 20% over its November 1998 sweep performance to a 10.7 household rating/17 share.

KNBC held on in the face of "Millionaire" with a 9.5/15 in primetime, off 7% from last November. KCBS, which took big hits in its local news numbers, climbed 7% in primetime to a 7.7/12, pulling off a narrow victory over KTTV, which dropped 23% to a 7.4/11. KTLA was down 11%

See TV RATINGS on page 61

News Corp. to venture again into Net investing

New unit goes alongside EPartners fund

By Paul Bond

In a second major effort to boost its online presence, News Corp. said Thursday that it has formed a new venture capital unit to complement EPartners, its \$400 million venture fund.

The unit, News Digital Ventures, was spun from News Digital Media in New York. Kathryn Fink, formerly senior vp at News Digital Media, has been named

president of the unit. She will report to News Corp. executive vp James Murdoch.

News Digital Media has made several investments in Internet companies such as theStreet.com, Yupi.com and PlanetRx. Those investments and others will be folded into News Digital Ventures, along with future investments.

News Digital Media will continue

See NEWS CORP. on page 63

It's 'Paradise' for Hawke in directorial debut

By Thom Geier

NEW YORK — Actor Ethan Hawke will make his feature film directorial bow with the indie film "Last Word on Paradise" for IFC Prods. Independent Digital Entertainment banner.



Hawke

See "PARADISE" on page 63

Harvey's seeing ghost again

By Scott Hettrick

The Harvey Entertainment Co. will produce a computer-animated made-for-video movie based on the friendly ghost named Casper.

"Casper's Haunted Christmas" will be the first production based on the famous Harvey character that Harvey will produce itself. It licensed the character to Universal for its live-action big-screen comedy "Casper" and later to Saban Entertainment and 20th



Casper

Century Fox Home Entertainment for two made-for-video live-action titles: "Casper, a Spirited Beginning" and "Casper Meets Wendy." Harvey does not have a video distributor for the

See CASPER on page 61

OSCAR SCREENINGS

What's screening where in L.A., New York and London for Academy Awards consideration returns today and runs daily through Oscar season.

SOUND MIXING

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TW: internet / 1st stage investors
fz

DGA

Continued from page 8—

Fanaka's suit against the DGA "was not unexpected."

But the appellate court's reversal is a victory for Fanaka in his suit against the studios and networks and comes against the backdrop of a growing protest against Hollywood's hiring practices.

The ruling means that Fanaka will get another chance to try to make his case in court that he was denied directing jobs because of racial discrimination in the entertainment industry.

It does not, however, ensure that his case will ever actually go to trial.

Indeed, the appellate court ruled that the lower court may once again dismiss the case if Fanaka fails to modify his complaint and provide "more specific" details about the film and TV industry's alleged discrimination against him and other minority directors.

Fanaka, who directed "Penitentiary" and its sequels, filed a class action lawsuit against the major studios and networks in 1996, claiming that their hiring practices violate Title VII of the 1964 Civil Rights Act. He also sued the DGA, claiming that the guild was part of a "conspiracy" to keep women and minorities out of the industry.

Both suits were dismissed in U.S. District Court, but the appellate court ruled Wednesday that Fanaka can go forward with his suit against the studios and networks, though not against the DGA.

In reversing the lower court's dismissal of Fanaka's suit against the studios and the networks, the appellate court ruled that Fanaka's complaint satisfied all the requirements of the law and should have been allowed to proceed to the pre-trial discovery stage.

The appellate court ruled that Fanaka's lengthy and "unwieldy" original complaint — amended five times — met the requirements of the law by setting forth a "short and plain statement of his claim show-



Eric Charbonneau/Berliner Studio

This year's *Women in Film Mentor* honorees, from left: Steven Bochco, Bill Mechanic, Forest Whitaker, Danny DeVito and George Lucas.

ing that he is entitled to relief." Such a complaint, the appellate judges wrote, "need not establish a prima facie case of discrimination."

In his suit against the studios, Fanaka alleged that he was a qualified minority film director; that he had sent letters to studio executives seeking positions as a film director; that he was rejected for these jobs and that many of the jobs remained open after his applications were rejected.

In remanding the case back to the district court, however, the appellate court ruled that the lower court may still require Fanaka to modify his "unwieldy" complaint against the studios into "a coherent and manageable form."

His modified complaint, the court said, "should be substantially shortened and Fanaka should offer more specific information about the specific jobs for which he applied. ... The complaint should set forth the statistics showing the approximate number of qualified African American directors and the approximate number of directors actually employed from different racial groups employed in the industry."

The appellate court, however, warned that "failure to fully com-

ply with these directives may allow the district court to dismiss ... Fanaka's claim."

In upholding the lower court's dismissal of Fanaka's suit against the DGA, the appellate judges wrote that "while the district court went out of its way to find something in Fanaka's complaint to justify permitting these claims to survive the pleadings stage, the complaint fails to state anything to place the DGA on notice of the claims against it and why the plaintiff is entitled to relief."

Fanaka claimed that the DGA failed to enforce a provision of its contract that provided that "employers shall make good-faith efforts to increase the number of women and ethnic minority directors working in the industry."

The appellate court, however, found that this provision of the DGA's contract "creates a good-faith obligation on the employers, and not on the union, to increase the number of minority directors."

The court ruled that "as there is nothing in the section to indicate an intent to create an obligation enforceable against the union by individual employees, this claim was properly dismissed." □

Mentor

Continued from page 8—

passed the torch to incoming president Hollace Davids.

"If I had any idea of what I was in for, I would have run screaming out of the room," Grossman said of her start at WIF in 1996. "Hollace, I'll be sending my Xanax prescription to you tomorrow."

Among those who turned out to celebrate with the honorees were producer Gale Anne Hurd, Destination Films producer Steve Stabler, CAA's Kevin Huvane and actresses Elizabeth Perkins and Sharon Lawrence. □

'Paradise'

Continued from page 1—

Hawke, who will not have a role in the film, said he has lined up an ensemble cast that includes his wife, Uma Thurman, as well as Kevin Corrigan, Kris Kristofferson, Robert Sean Leonard, Natasha Richardson, Tuesday Weld, Frank Whaley and Steve Zahn.

The film will be shot on digital video beginning Sunday in New York.

Scripted by actress Nicole Burdette, the film comprises a set of five vignettes all set in a New York hotel and inspired by Dylan Thomas' "Under Milk Wood."

While "Paradise" marks his feature directorial debut, Hawke has helmed plays for the Manhattan-based Malaparte theater company, which he co-founded.

Christine Vachon and Pam Kofler of Killer Films will produce.

Launched in July by Gary Winick, Independent Digital Entertainment (InDigEnt) is a division of the Independent Film Channel's IFC Prods. and Sloss Special Projects.

As part of its 10-picture package of digital features, InDigEnt recently produced Campbell Scott's "Final," a drama starring Denis Leary and Hope Davis.

The films aim for theatrical and fest exposure but will also be collected as a series to premiere on IFC. Jonathan Sehring and Caroline Kaplan of IFC Prods. are producers of the series, while Winick and John Sloss will executive produce.

Hawke, who is repped by CAA, recently appeared in Whaley's directorial debut "Joe the King" and next stars in Scott Hicks' "Snow Falling on Cedars" and an updated "Hamlet" for Miramax. His other feature credits include "Gattaca," "Reality Bites" and "Dead Poets Society." □

News Corp.

Continued from page 1—

operating Fox-branded Web sites FoxNews.com, FoxMarketwire, FoxSports.com and Fox.com.

News Digital Ventures is News Corp.'s second investment unit focused primarily on the Internet. EPartners has investments in Buy.com and E-Loan.

But EPartners recently announced a non-Internet investment. The unit said last month that it will be a founding partner in Nasdaq-Europe, the pan-Euro-

pean stock exchange scheduled to launch next year.

Fink said the new unit will differ from EPartners in several ways. For example, it will be funded piecemeal, on a case-by-case basis.

And, she said, News Digital Ventures will enter into more creative partnerships. Whereas EPartners primarily makes cash investments, the new unit will trade advertising and licensing agreements, as well as cash, primarily for minority stakes in small Internet companies.

"We'll be very focused on strategic investments that com-

plement News Corp.'s core business, as opposed to EPartners, which is more broadly opportunistic," Fink said.

News Digital Ventures' first investment might come during the next few weeks, she said, adding that the unit will nurture companies and build their brands via marketing through News Corp.'s vast media holdings.

Fink said she will focus on long-term partnerships as opposed to making early investments in startups only to cash out once they go public. □

Author: "iviewit" <alps@netline.net> at -FABRIK/Internet
Date: 6/18/99 2:07 PM
Priority: Normal
Receipt Requested
TO: EpsteinA at AHJTW
TO: MulrooneyM at AHJTW
Subject: FW: Iviewit evaluation

----- Message Contents -----

From: iviewit
Date: Fri, Jun 18, 1999 2:07 PM
Subject: FW: Iviewit evaluation
To: EpsteinA; MulrooneyM

-----Original Message-----

From: Hassan Miah [mailto:hmiah@xingtech.com]
Sent: Friday, June 18, 1999 2:15 AM
To: 'iviewit.com (E-mail)'; Simon L. Bernstein (E-mail); Richard Rosman (E-mail)
Subject: RE: Iviewit evaluation

Dear Eliot,

We are keenly intrigued by your technology that can potentially significantly improve images and video distributed on the Internet over today's networks. In our meeting last weekend, we were impressed with the quality of the demos presented. However, based on the nature of the demo, it did not provide conclusive evidence of a proprietary technology of great incremental value. The images were demonstrated using data stored on the local computer or downloaded from the Internet. While the quality was of better quality than most images seen on the Internet, there was no way to tell if the underlying files were different than what is currently available on the market. Similarly, the video presentation streamed over the dial-up connection used a large buffer before beginning. This approach to video streaming is well recognized as an option but has not been widely adopted.

In order to show something of proprietary significant value, the demonstration should have the following attributes:

* Controlled comparisons - a benchmark to compare the demo is a good way to assess if the technology represents an improvement. This should include a demonstration of the same source material using existing methods and benchmarked against a demo of Iviewit. Without a benchmark, there is no way to tell if there is anything different. Any benchmarks should be compared using quantitative metrics wherever possible. For example, the frames per second and the encoded bit rate of the demo last weekend appeared to be not much better than many other existing streaming methods. For the images, there are different compression techniques that could have achieved comparable zoom capabilities of the demo. A comparative analysis could help provide a useful independent assessment and proof of something that is truly special.

* Compatibility - To the extent that the Iviewit technology is a breakthrough on a given computer configuration does not mean that it has wide commercial feasibility. Unfortunately, the open nature of the Intel-Windows systems results in a very wide variety of configurations. For example, Xing tests new products against hundreds of potential computer configurations before releasing a product. Often a program runs under

certain hardware, each with its own software needed to connect to the Windows operating system, but does not run under certain popular configurations.

* Reliability - the Internet consists of vast networks of routers, servers, software, and hardware. Any technology that represents an improvement should prove itself to be able to survive the varying conditions of the Internet. The Iviewit demo always was conducted very close to the server location. A good demo is to present the technology over a large distance, such as between Florida and California, and at different times of the day. This could be a much better real world test of the strength of the technology and is the best way to prove that it works in real world conditions.

* Prior Art - Patents can be a valuable tool to protect technology in order to exploit its potential. However, without a thorough review of prior art, it is difficult to evaluate the value of a novel approach. Any analysis should include a comparison of the Iviewit approach to that of other known existing techniques. Competitive advantage should be evaluated against this benchmark. This analysis could provide insight on the potential ability to exploit Iviewit before being challenged by competitors.

I suggest that you hire an independent technologist that has prepared technical review of compression technologies. This person should have experience in developing commercially released software products and is familiar with Internet issues.

Regards,

Hassan

Received: from 204.117.219.2 by powell.fabrik.com
with SMTP (Fabrik F07.3-000)
id SINN.13641669@powell.fabrik.com ; Fri, 18 Jun 1999 14:19:28 -0700
Received: from alps [208.21.53.34] by tesla.netline.net
(SMTPD32-4.04) id A911640024A; Fri, 18 Jun 1999 17:24:33 EDT
Return-Receipt-To: "iviewit" <alps@netline.net>
From: "iviewit" <alps@netline.net>
To: "Alan Epstein (E-mail)" <epsteina@armstronghirsch.com>,
"Michele M. Mulrooney (E-mail)" <mulrooneym@armstronghirsch.com>
Subject: FW: Iviewit evaluation
Date: Fri, 18 Jun 1999 17:07:22 -0400
Message-ID: <000901beb9ce\$d9adcc40\$elecfea9@netline.net>
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Content-Transfer-Encoding: 7bit
X-Priority: 3 (Normal)
X-MSMail-Priority: Normal
X-Mailer: Microsoft Outlook CWS, Build 9.0.2212 (4.71.2419.0)
Importance: Normal
X-MimeOLE: Produced By Microsoft MimeOLE V5.00.2014.211
Disposition-Notification-To: "iviewit" <alps@netline.net>

Author: "iviewit" <alps@netline.net> at -FABRIK/Internet
Date: 6/18/99 2:19 PM
Priority: Normal
Receipt Requested
TO: EpsteinA at AHJTW
TO: MulrooneyM at AHJTW
Subject: FW: Initial comments on Hassan letter.

----- Message Contents -----

From: iviewit
Date: Fri, Jun 18, 1999 2:19 PM
Subject: FW: Initial comments on Hassan letter.
To: EpsteinA; MulrooneyM

-----Original Message-----

From: iviewit [mailto:alps@netline.net]
Sent: Friday, June 18, 1999 4:47 PM
To: Simon L. Bernstein (E-mail); Christopher C. Wheeler (E-mail); Jefferey Friedstein (E-mail); Jefferey Friedstein (E-mail 3); Donald G. Kane II (E-mail)
Subject: Initial comments on Hassan letter.

Attached are my initial comments to Hassans letter. I see no mention of if the Internet would be able to handle playing our video, his strongest claim the other week. What I do see is an attempt to minnow drag us through the swamp. Please reply with your comments or suggestions.

Eliot

500 SE Mizner Boulevard

Boca Raton, Florida 33432-6080

Voice: 561.417.8980

Toll: 800.519.0234

Email: alps@netline.net

Web: <http://www.iviewit.com>

Received: from 204.117.219.2 by powell.fabrik.com
with SMTP (Fabrik F07.3-000)
id SINN.13641767@powell.fabrik.com ; Fri, 18 Jun 1999 14:26:46 -0700
Received: from alps [208.21.53.34] by tesla.netline.net
(SMTPD32-4.04) id AB793350218; Fri, 18 Jun 1999 17:34:49 EDT
Return-Receipt-To: "iviewit" <alps@netline.net>
From: "iviewit" <alps@netline.net>
To: "Alan Epstein (E-mail)" <epsteina@armstronghirsch.com>,
"Michele M. Mulrooney (E-mail)" <mulrooneym@armstronghirsch.com>

Subject: FW: Initial comments on Hassan letter.
Date: Fri, 18 Jun 1999 17:12 -0400
Message-ID: <000b01beb9d0\$47978100\$elecfea9@netline.net>
MIME-Version: 1.0
Content-Type: multipart/mixed;
 boundary="-----_NextPart_000_000C_01BEB9AE.C085E100"
X-Priority: 3 (Normal)
X-MSMail-Priority: Normal
X-Mailer: Microsoft Outlook CWS, Build 9.0.2212 (4.71.2419.0)
Importance: Normal
X-MimeOLE: Produced By Microsoft MimeOLE V5.00.2014.211
Disposition-Notification-To: "iviewit" <alps@netline.net>

Content-Type: multipart/alternative;
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Content-Transfer-Encoding: base64
Content-Disposition: attachment;
 filename="Hassan Response Draft.doc"

Content-Type: text/plain;
 charset="iso-8859-1"
Content-Transfer-Encoding: 7bit

Content-Type: text/html;
 charset="iso-8859-1"
Content-Transfer-Encoding: quoted-printable

Author: "iviewit, inc. (E-mail)" <viewmaster@iviewit.com> at -FABRIK/Internet
Date: 5/26/99 1:41 PM
Priority: Normal
Receipt Requested
TO: Epsteina at AHJTW
TO: "Simon L. Bernstein (E-mail)" <simon@adelphia.net> at -FABRIK/Internet
TO: "Gerald R. Lewin (E-mail)" <codi49@adelphia.net> at -FABRIK/Internet
TO: "Guy Iantoni (E-mail)" <iantoni@earthlink.net> at -FABRIK/Internet
TO: "Christopher C. Wheeler (E-mail)" <cwheeler@proskauer.com> at -FABRIK/Internet
TO: "Jefferey Friedstein (E-mail 3)" <jeff.friedstein@gs.com> at -FABRIK/Internet
Subject: FW: See you in California soon.

----- Message Contents -----

From: iviewit, inc. (E-mail)
Date: Wed, May 26, 1999 1:41 PM
Subject: FW: See you in California soon.
To: Christopher C. Wheeler (E-mail); EpsteinA; Gerald R. Lewin (E-mail); Guy Iantoni (E-mail); Jefferey Friedstein (E-mail 3); Simon L. Bernstein (E-mail)
-----Original Message-----
From: Hassan Miah [mailto:hmiah@xingtech.com]
Sent: Wednesday, May 26, 1999 1:34 PM
To: 'iviewit, inc. (E-mail)'
Subject: RE: See you in California soon.

*To: Elliott
w (K part #)
(92) - see part #*

Hi Eliot,

I really enjoyed my visit on Monday and see and enormous potential for the technology. Later today I will be meeting with Kevin to discuss the opportunity.

How did your meeting go with Real 3D? Also, will you have your site up tomorrow for me to view from here?

> -----Original Message-----
> From: iviewit, inc. (E-mail) [SMTP:viewmaster@iviewit.com]
> Sent: Wednesday, May 26, 1999 2:48 AM
> To: Hassan Miah (E-mail)
> Cc: Richard Rosman (E-mail)
> Subject: See you in California soon.

>
> << File: clip_image002.jpg >>
>
> Dear Hassan,

>
> Thank you for taking the time to come see the iviewit technology. It was
> a pleasure getting to know you and I look forward to a growing
> relationship. I should be coming to California early next week and we can
> begin putting the puzzle together then.

>
> In the interim, if you need any additional information, please feel free
> to give me a call.

>
> Eliot
>
> iviewit.com
>
> 500 SE Mizner Boulevard
>
> Suite 102
>
> Boca Raton, FL 33432-6080
>
> Toll Free: 800.519.0234
>
> Email: viewmaster@iviewit.com <mailto:alps@netline.net>
>
> Web: <http://www.iviewit.com/>
>
> Fax: 561.417.4470

>
>

Received: from 204.117.219.2 by powell.fabrik.com
with SMTP (Fabrik F07.3-000)
id SINN.13397626@powell.fabrik.com ; Wed, 26 May 1999 13:55:24 -0700

Received: from alps [208.21.53.17] by tesla.netline.net

(SMTPD32-4.04) id A07197300A8; Wed, 26 May 1999 16:58:25 EDT

Return-Receipt-To: "iviewit, inc. (E-mail)" <viewmaster@iviewit.com>

From: "iviewit, inc. (E-mail)" <viewmaster@iviewit.com>

Sender: "eib" <alps@netline.net>

To: "Simon L. Bernstein (E-mail)" <simon@adelphia.net>,
"Gerald R. Lewin (E-mail)" <codi49@adelphia.net>,
"Guy Iantoni (E-mail)" <iantoni@earthlink.net>,
"Christopher C. Wheeler (E-mail)" <cwheeler@proskauer.com>,
"Jefferey Friedstein (E-mail 3)" <jeff.friedstein@gs.com>,
"Alan Epstein (E-mail)" <epsteina@armstronghirsch.com>

Subject: FW: See you in California soon.

Date: Wed, 26 May 1999 16:41:46 -0400

Message-ID: <000101bea7b85f831600\$113515d0@netline.net>

MIME-Version: 1.0

Content-Type: text/plain;

charset="iso-8859-1"

Content-Transfer-Encoding: 8bit

X-Priority: 3 (Normal)

X-MSMail-Priority: Normal

X-Mailer: Microsoft Outlook CWS, Build 9.0.2212 (4.71.2419.0)

Importance: Normal

X-MimeOLE: Produced By Microsoft MimeOLE V5.00.2014.211

Disposition-Notification-To: "iviewit, inc. (E-mail)" <viewmaster@iviewit.com>

Author: , "iviewit, inc. (E-mail)" <viewmaster@iviewit.com> at -FABRIK/Internet
Date: 5/26/99 1:41 PM
Priority: Normal
Receipt Requested
TO: EpsteinA at AHJTW
TO: "Simon L. Bernstein (E-mail)" <simon@adelphia.net> at -FABRIK/Internet
TO: "Gerald R. Lewin (E-mail)" <codi49@adelphia.net> at -FABRIK/Internet
TO: "Guy Iantoni (E-mail)" <iantoni@earthlink.net> at -FABRIK/Internet
TO: "Christopher C. Wheeler (E-mail)" <cwheeler@proskauer.com> at -FABRIK/Internet
TO: "Jefferey Friedstein (E-mail 3)" <jeff.friedstein@gs.com> at -FABRIK/Internet
Subject: FW: See you in California soon.

----- Message Contents -----

From: iviewit, inc. (E-mail)
Date: Wed, May 26, 1999 1:41 PM
Subject: FW: See you in California soon.
To: Christopher C. Wheeler (E-mail); EpsteinA; Gerald R. Lewin (E-mail); Guy Iantoni (E-mail); Jefferey Friedstein (E-mail 3); Simon L. Bernstein (E-mail)

-----Original Message-----
From: Hassan Miah [mailto:hmiah@xingtech.com]
Sent: Wednesday, May 26, 1999 1:34 PM
To: 'iviewit, inc. (E-mail)'
Subject: RE: See you in California soon.

Hi Eliot,

I really enjoyed my visit on Monday and see and enormous potential for the technology. Later today I will be meeting with Kevin to discuss the opportunity.

How did your meeting go with Real 3D? Also, will you have your site up tomorrow for me to view from here?

> -----Original Message-----

> From: iviewit, inc. (E-mail) [SMTP:viewmaster@iviewit.com]

> Sent: Wednesday, May 26, 1999 2:48 AM

> To: Hassan Miah (E-mail)

> Cc: Richard Rosman (E-mail)

> Subject: See you in California soon.

>

> << File: clip_image002.jpg >>

>

> Dear Hassan,

>

> Thank you for taking the time to come see the iviewit technology. It was
> a pleasure getting to know you and I look forward to a growing
> relationship. I should be coming to California early next week and we can
> begin putting the puzzle together then.

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> In the interim, if you need any additional information, please feel free
> to give me a call.

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> Eliot

>

> iviewit.com

>

> 500 SE Mizner Boulevard

>

> Suite 102

>

> Boca Raton, FL 33432-6080

>

> Toll Free: 800.519.0234

>

> Email: viewmaster@iviewit.com <mailto:alps@netline.net>

>

> Web: <http://www.iviewit.com/>

>

> Fax: 561.417.4470

>
>

Received: from 204.117.219.2 by powell.fabrik.com
with SMTP (Fabrik F07.3-000)
id SINN.13397626@powell.fabrik.com ; Wed, 26 May 1999 13:55:24 -0700

Received: from alps [208.21.53.17] by tesla.netline.net
(SMTPD32-4.04) id A07197300A8; Wed, 26 May 1999 16:58:25 EDT
Return-Receipt-To: "iviewit, inc. (E-mail)" <viewmaster@iviewit.com>
From: "iviewit, inc. (E-mail)" <viewmaster@iviewit.com>
Sender: "eib" <alps@netline.net>

To: "Simon L. Bernstein (E-mail)" <simon@adelphia.net>,
"Gerald R. Lewin (E-mail)" <codi49@adelphia.net>,
"Guy Iantoni (E-mail)" <iantoni@earthlink.net>,
"Christopher C. Wheeler (E-mail)" <cwheeler@proskauer.com>,
"Jefferey Friedstein (E-mail 3)" <jeff.friedstein@gs.com>,
"Alan Epstein (E-mail)" <epsteina@armstronghirsch.com>

Subject: FW: See you in California soon.

Date: Wed, 26 May 1999 16:41:46 -0400

Message-ID: <00101bea7b8\$5f831600\$113515d0@netline.net>

MIME-Version: 1.0

Content-Type: text/plain;

charset="iso-8859-1"

Content-Transfer-Encoding: 8bit

X-Priority: 3 (Normal)

X-MSMail-Priority: Normal

X-Mailer: Microsoft Outlook CWS, Build 9.0.2212 (4.71.2419.0)

Importance: Normal

X-MimeOLE: Produced By Microsoft MimeOLE V5.00.2014.211

Disposition-Notification-To: "iviewit, inc. (E-mail)" <viewmaster@iviewit.com>

Author: "iviewit" <alps@netline.net> at -FABRIK/Internet
Date: 6/7/99 8:41 PM
Priority: Normal
Receipt Requested
TO: Epsteina at AHJTW
Subject: FW: Hassan Miah & Kevin O'Donnell

----- Message Contents -----

From: iviewit
Date: Mon, Jun 7, 1999 8:41 PM
Subject: FW: Hassan Miah & Kevin O'Donnell
To: Epsteina

-----Original Message-----
From: dg_kane [mailto:dg_kane@email.msn.com]
Sent: Monday, June 07, 1999 8:33 PM
To: eib
Subject: Re: Hassan Miah & Kevin O'Donnell

I will be in the office on Wednesday morning, we should have a call to update everyone on the status. I will be in Dallas tomorrow but will be home later in the evening. You can call me up to 11:00 pm to post me on developments. I am getting an introduction this week to Mark Cuban, CEO of Broadcast.com and we need to get them involved in the process to get a competitive offer out of Kevin. He should be interested in Iviewit.
Don

-----Original Message-----
From: eib <alps@netline.net>
To: Jefferey Friedstein (E-mail) <friedstein@msn.com>; Jefferey Friedstein (E-mail 3) <jeff.friedstein@gs.com>; Donald G. Kane II (E-mail) <dg_kane@msn.com>; Simon L. Bernstein (E-mail) <simon@adelphia.net>
Date: Thursday, June 03, 1999 8:18 AM
Subject: Hassan Miah & Kevin O'Donnell

Jeff & Don,

Per my discussion with Richard Rosman 6.2.99, the following is a list of items we need to conquer to get Hassan and Kevin aboard.

1. Disclosure of patent info to Richard for Hassan - requested from Proskauer
2. Confidentiality to Richard - requested from Proskauer
3. Confidentiality to Richard for Kevin O'Donnell - requested from Proskauer
4. Confidentiality for X - Techie - requested from Proskauer
5. Satisfy technical side of program and we should have deal
6. Target 2-4 weeks to get deal launched, possibly on Earthlink site with Kevin as initial VC. We should try to get initial partners onboard ASAP

I would like it you and Don could oversee this deal structure for us as well.

Thanks,

Eliot

Received: from 204.117.219.2 by powell.fabrik.com
with SMTP (Fabrik F07.3-000)
id SINN.13524087@powell.fabrik.com ; Mon, 7 Jun 1999 20:52:16 -0700
Received: from alps [208.21.53.35] by tesla.netline.net
(SMTPD32-4.04) id A4CF7800F4; Mon, 07 Jun 1999 23:58:07 EDT
Return-Receipt-To: "iviewit" <alps@netline.net>
From: "iviewit" <alps@netline.net>
To: "Alan Epstein (E-mail)" <epsteina@armstronghirsch.com>
Subject: FW: Hassan Miah & Kevin O'Donnell
Date: Mon, 7 Jun 1999 23:41:36 -0400
Message-ID: <001701beb160\$dd495520\$243515d0@netline.net>
MIME-Version: 1.0

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X-Priority: 3 (Normal)
X-MSMail-Priority: Normal
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Importance: Normal
X-MimeOLE: Produced By Microsoft MimeOLE V5.00.2014.211
Disposition-Notification-To: "iviewit" <alps@netline.net>

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 charset="iso-8859-1"
Content-Transfer-Encoding: 7bit

Content-Type: text/html;
 charset="iso-8859-1"
Content-Transfer-Encoding: quoted-printable

Author: "iviewit, inc. (E-mail)" <viewmaster@iviewit.com> at -FABRIK/Internet
Date: 6/3/99 5:19 AM
Priority: Normal
Receipt Requested
TO: EpsteinaA at AHJTW
TO: "Simon L. Bernstein (E-mail)" <simon@adelphia.net> at -FABRIK/Internet
TO: "Christopher C. Wheeler (E-mail)" <cwheeler@proskauer.com> at -FABRIK/Internet
Subject: Jerry Lewin confirmation as Board member of iviewit et al.

----- Message Contents -----

From: iviewit, inc. (E-mail)
Date: Thu, Jun 3, 1999 5:19 AM
Subject: Jerry Lewin confirmation as Board member of iviewit et al.
To: Christopher C. Wheeler (E-mail); EpsteinaA; Simon L. Bernstein (E-mail)
Dear Chris,

Per our meeting on Friday, May 28th 1999, please confirm that Jerry Lewin has been added to the Board of Directors of iviewit and it's subsidiaries. Si would also like a confirmation sent to his address at simon@adelphia.net

Thanks,

Eliot

Received: from 204.117.219.2 by powell.fabrik.com
with SMTP (Fabrik F07.3-000)

id SINN.13474722@powell.fabrik.com ; Thu, 3 Jun 1999 05:29:01 -0700
Received: from alps [208.21.53.62] by tesla.netline.net
(SMTPD32-4.04) id A685AE20106; Thu, 03 Jun 1999 08:35:17 EDT

Return-Receipt-To: "iviewit, inc. (E-mail)" <viewmaster@iviewit.com>
From: "iviewit, inc. (E-mail)" <viewmaster@iviewit.com>
Sender: "eib" <alps@netline.net>

To: "Alan Epstein (E-mail)" <epsteina@armstronghirsch.com>,
"Simon L. Bernstein (E-mail)" <simon@adelphia.net>,

"Christopher C. Wheeler (E-mail)" <cwheeler@proskauer.com>
Subject: Jerry Lewin confirmation as Board member of iviewit et al.
Date: Thu, 3 Jun 1999 08:19:22 -0400
Message-ID: <01f01beadb5c57cc60\$3e3515d0@netline.net>
MIME-Version: 1.0
Content-Type: multipart/alternative;
 boundary="-----_NextPart_000_0020_01BEAD99.D5462C60"
X-Priority: 3 (Normal)
X-MSMail-Priority: Normal
X-Mailer: Microsoft Outlook CWS, Build 9.0.2212 (4.71.2419.0)
Importance: Normal
X-MimeOLE: Produced By Microsoft MimeOLE V5.00.2014.211
Disposition-Notification-To: "iviewit, inc. (E-mail)" <viewmaster@iviewit.com>

Content-Type: text/plain;
 charset="iso-8859-1"
Content-Transfer-Encoding: 7bit

Content-Type: text/html;
 charset="iso-8859-1"
Content-Transfer-Encoding: quoted-printable

HELLER EHRMAN

**3744-0014.0000
VIEWIT.COM**

(138 - MMM)

HELLER EHRMAN WHITE & MAULIFFE

ATTORNEYS

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

601 SOUTH FIGUEROA STREET
40TH FLOOR
LOS ANGELES
CALIFORNIA 90017-5758

TELEPHONE: (213) 689-0200
FACSIMILE: (213) 614-1868

STEVEN O. WEISE
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December 23, 1999

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Via Federal Express

Mr. Eliot Bernstein
iviewit.com, LLC
One Boca Place
2255 Glades Road, Suite 337 West
Boca Raton, Florida 33431-7360

Re: Possible Representation

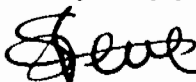
Dear Eliot:

I enjoyed our brief chat yesterday. I have enclosed some materials that describe our experience with emerging technology and Internet companies. As you will see we have extensive experience in this area, including the raising of capital from the seed rounds through the IPO. For example, we just completed representing AimTv, a company with an Internet video-related business, in its acquisition by Net Zero, Inc.

We would be delighted to work with you. Augie Moretti is the head of our firm-wide business practice and is resident in our Silicon Valley office. He is very active in representing technology and Internet companies and knows the lay of the land in Silicon Valley. Augie and Peter Townshend of that office both worked on the AimTv transaction and would be available to work on your matter.

Regards for the holidays.

Very truly yours,



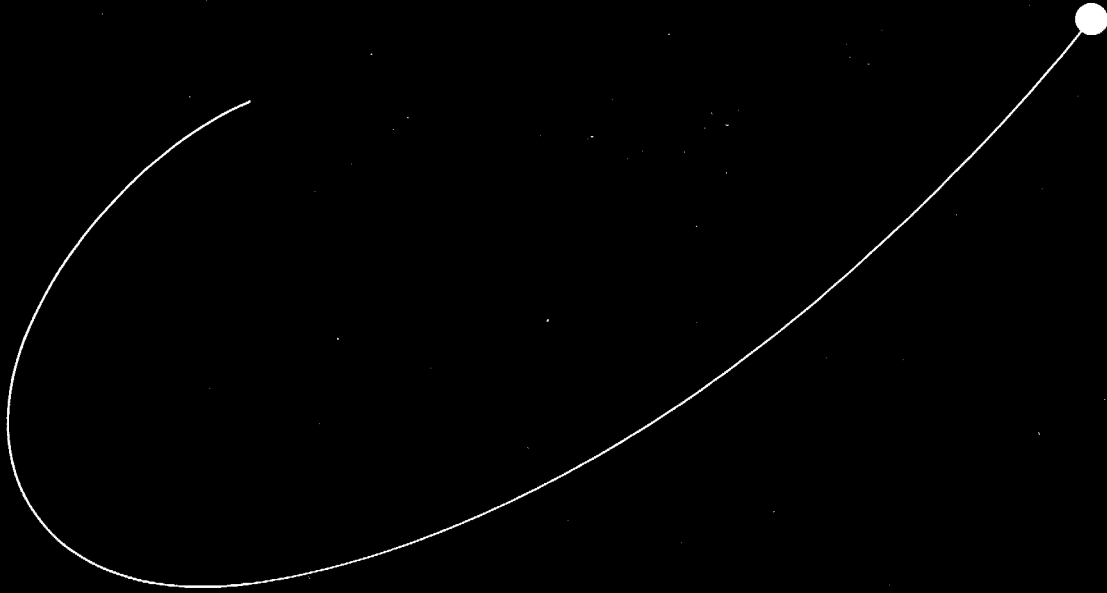
Steven O. Weise

Enclosure

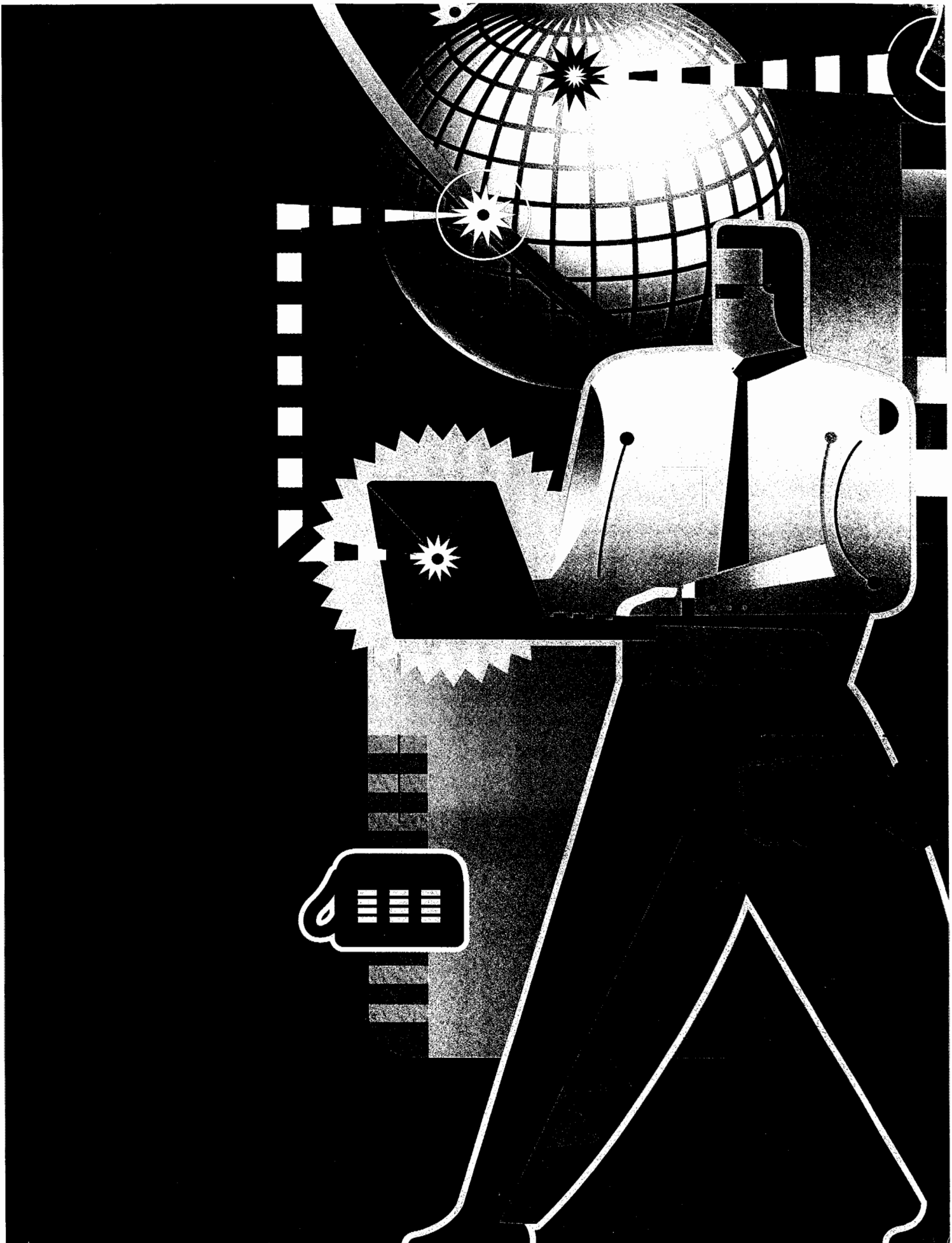
cc: Alan Epstein, Esq.

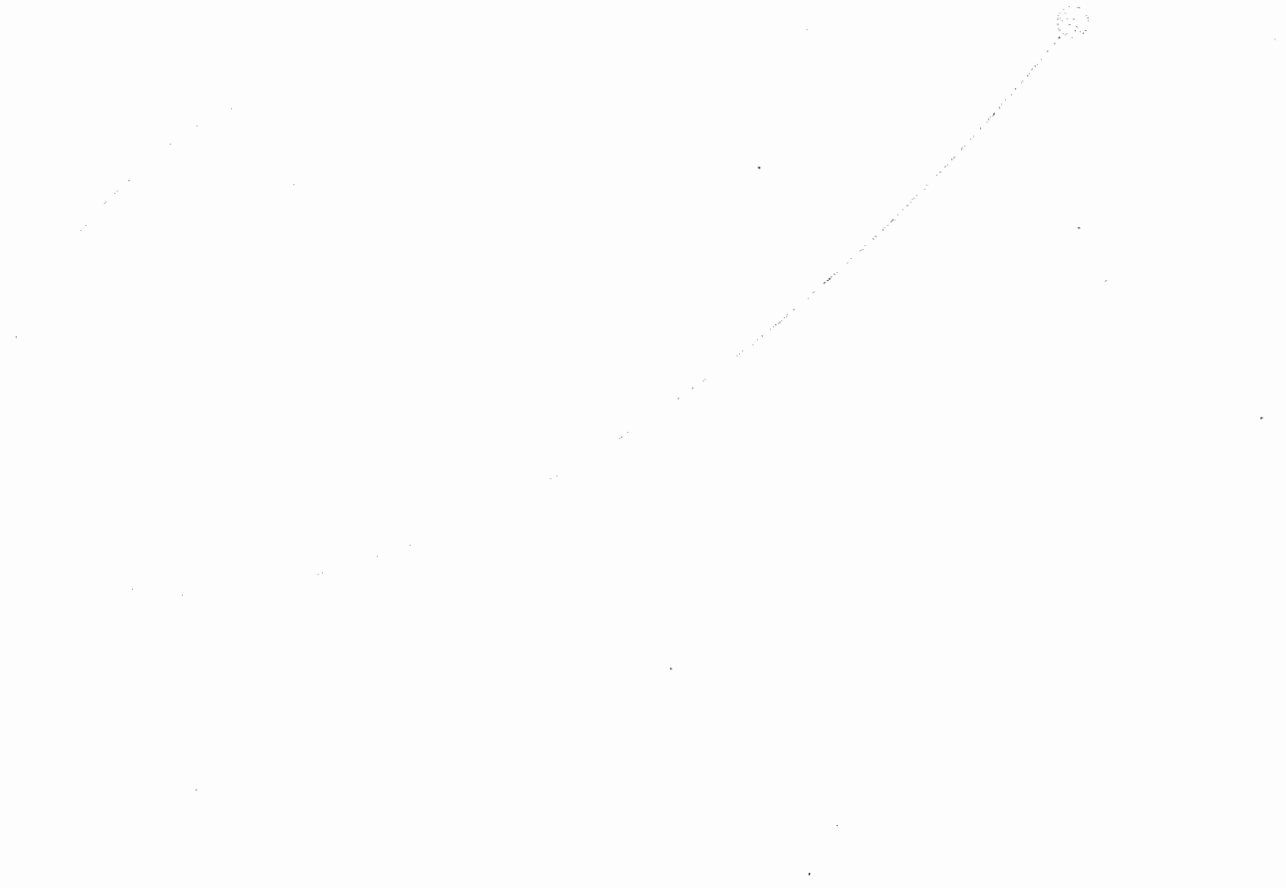
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Heller-Ehrman
(with [initials])

HELLER EHRMAN
WHITE & M^CAULIFFE



SERVICES FOR
TECHNOLOGY
COMPANIES





OVERVIEW OF THE FIRM

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OVERVIEW OF THE FIRM

From its beginnings in 1890, Heller Ehrman White & McAuliffe has grown to be one of the nation's 50 largest law firms. Today Heller Ehrman has more than 450 lawyers practicing in San Francisco, Silicon Valley, Los Angeles, San Diego, Seattle, Portland, Anchorage, New York, Washington, D.C., Hong Kong and Singapore.

Practice Areas and Clients

Firmwide, attorneys provide counseling, litigation and corporate services in a wide range of practice areas, including antitrust, bankruptcy, emerging companies, energy, environmental, finance, insurance coverage, intellectual property protection and litigation, international business, labor and employment, life sciences, real estate, securities, tax, mergers and acquisitions and venture capital.

Our clients include publicly traded multinational corporations, privately held businesses and emerging growth companies.

Tradition of Service

Heller Ehrman has long fostered in our attorneys a tradition of service—not only to our clients, but also to our communities and to those who need but cannot afford legal services. Heller Ehrman attorneys in all the firm's offices contribute thousands of hours each year to community, nonprofit and public interest organizations.

As the firm moves forward through its second century, we look ahead to expanding the services we provide in all our offices. We will also continue the tradition of service begun over a century ago. That tradition will be carried forward proudly by our attorneys, who are dedicated to client service, to the legal profession, and to the public interest.

THE OFFICES

Heller Ehrman's eleven offices operate as a closely linked network with a goal of providing our clients with the best legal representation possible. Lawyers frequently work on matters that originate in other offices. This cross-office staffing not only increases the breadth and depth of expertise available to our clients, it expands professional development opportunities for lawyers in each office.

- ◆ **San Francisco**

Heller Ehrman's largest office is located in San Francisco, where the firm was founded in 1890. Attorneys in the San Francisco office practice in all areas served by the firm - litigation, business, environmental, intellectual property, real estate, tax, labor and employment, bankruptcy and energy. Clients of the San Francisco office range in size from individual entrepreneurs to multinational corporations, including many of the Fortune 500. They are engaged in every type of business endeavor, including banking, financial services, manufacturing, real estate, energy, technology, telecommunications, accounting, automobile, apparel and retail sales.

- ◆ **Silicon Valley**

Heller Ehrman established roots in Silicon Valley in 1983 and has represented some of the life sciences industry's most successful start-up companies based in this region. In 1998, the firm opened a second office in Silicon Valley to house its Emerging Companies Group. Silicon Valley is also home to Heller Ehrman's prominent intellectual property litigation practice, and its mergers, acquisitions and corporate governance and securities practice.

A significant portion of the practice in the Silicon Valley office relates to start-up, emerging, and established high technology and life sciences companies. Many clients are involved in the computer hardware and software industries, semiconductors, lasers, Internet products and services, telecommunications and specialized industrial products. The firm's extensive life sciences practice includes work for some of the industry's most prominent biotechnology and medical device concerns.

- ◆ **Los Angeles**

Heller Ehrman's Los Angeles office opened in 1988. The attorneys in our Los Angeles office practice litigation and business and provide a full spectrum of

services to a broad range of industries. The Los Angeles office serves clients in the banking, financial services, oil and gas, accounting, real estate, energy, technology, telecommunications, automotive, apparel manufacturing, food and entertainment industries.

- ◆ **San Diego**

The San Diego office, opened in 1998, focuses on clients in the life sciences, telecommunications and information technology industries. The office is home to Heller Ehrman's largest group of biotechnology and patent professionals. The San Diego office also provides a full spectrum of services for emerging and mature companies, including corporate finance, mergers and acquisitions, licensing, strategic alliances, intellectual property litigation, securities litigation, employment and executive compensation, taxation and trademarks.

- ◆ **Seattle**

Opened in 1983, the firm's Seattle office places Heller Ehrman among the ten largest firms in Washington. The Seattle office attorneys are organized into business, litigation and environmental practice groups. These practice groups provide a full range of legal services including business, energy, environmental, information technology, intellectual property, life sciences, litigation and bankruptcy to a broad base of clients in the Pacific Northwest and beyond. Although the majority of our clients are businesses and individuals from the private sector, the Seattle office also represents a substantial number of public agencies and nonprofit organizations.

- ◆ **Portland**

In 1983, Heller Ehrman opened its office in Portland as one of the focal points of the firm's energy and environmental practice. Practicing primarily in administrative and regulatory law, with a special emphasis on energy matters, the Portland office also serves clients in litigation and environmental proceedings.

- ◆ **Anchorage**

The Anchorage office opened in 1989 with an emphasis on litigation and environmental matters. Clients include oil, gas and energy producers, healthcare providers, transportation entities, state and federal entities, financial institutions and numerous firms in the natural resources field.

- ◆ **New York**

In 1999, Heller Ehrman opened its New York office by combining with the New York law firm of Werbel & Carnelutti. The New York office offers expertise in complex U.S. and international corporate finance transactions, as well as commercial litigation. Specialty areas include corporate finance and securities regulation, banking, international commerce and project finance, venture capital, real estate, taxation, media and intellectual property. Through Heller Ehrman's affiliation with Carnelutti, the attorneys in our international practice work closely with Carnelutti attorneys in Milan, Rome, Paris, Padua and Naples. Fully half of the attorneys in the New York office are fluent in one or more foreign languages. The international practice centers on representation of foreign companies doing business in the U.S., as well as U.S. entities seeking to expand overseas.

- ◆ **Washington, D.C.**

Our Washington, D.C. office, opened in 1994, assists energy, pharmaceutical, biopharmaceutical, medical device and other clients with regulatory issues before federal agencies, particularly FERC and the FDA. The office also has a significant litigation practice, representing clients in antitrust, intellectual property, securities law, healthcare, trade regulation and telecommunication issues.

- ◆ **Hong Kong**

Heller Ehrman opened its Hong Kong office in 1993 to better serve its Pacific Rim clients. The chairman of the Asian practice group resides here, practicing international banking, corporate and commercial law, litigation and trade-related projects. Clients in this office have included international and Asian financial institutions, major Hong Kong trade associations and Hong Kong industrial companies.

- ◆ **Singapore**

Heller Ehrman opened its Singapore office in 1994 to strengthen its presence in Southeast Asia. The firm services clients in Indonesia, Thailand, Vietnam and Singapore with international commercial transactions, U.S. and foreign investment, corporate law and litigation.

CORPORATE PRACTICE

Heller Ehrman's corporate attorneys provide ongoing business and transaction services to a diverse group of clients. The corporate group has extensive experience handling corporate securities, venture capital, corporate finance, mergers and acquisitions, joint ventures, and licensing transactions. Collectively, the corporate attorneys have significant experience in representing the high technology and life sciences industries in the San Francisco Bay Area, and in the additional technology centers nationally.

Types of Clients

Our clients range from individual entrepreneurs to multinational corporations. They include manufacturers in a number of high technology and traditional industries, including biotechnology, health care, pharmaceuticals and medical devices, computer hardware and software, lasers, fiber optics, telecommunications, metals and apparel. We also serve a diverse group of domestic and foreign financial institutions, such as venture capital firms, investment banks and broker-dealers, domestic and foreign commercial banks, investment advisers, sponsors of pooled investment vehicles and equipment leasing firms. In addition, our clients include a variety of other firms and institutions, including waste management, forest products, energy and international transportation companies, hospitals and other health care providers, municipalities and other public agencies. We represent both issuers and investors, and lenders and obligors, in financing transactions of all kinds.

Areas of Special Expertise

General Corporate Matters

Our attorneys regularly represent clients in start-up formation and financing, technology acquisition and licensing transactions and employment and executive compensation arrangements. We also work with clients on supplier and distribution relationships and other commercial transactions and directors' and officers' indemnification and insurance coverage issues. In addition, we assist public companies with compliance obligations under the federal and state securities laws, including preparation and review of disclosure documents and press releases, and advice to

management about reporting and other requirements under the short-swing profits rule. Attorneys from other Heller Ehrman practice groups, such as tax, labor and litigation, assist corporate attorneys where appropriate.

Mergers and Acquisitions

Heller Ehrman has an active practice representing participants in transactions involving the change in control of all or part of a business enterprise. We represent buyers, sellers, investment bankers, investors, board of directors, special committees and lenders in all types of acquisitions involving publicly traded and privately held corporations, tender offers, spin-offs, control contests and leveraged transactions. Our team of experienced M&A attorneys have handled all aspects of these transactions, from advising the board, working with management on the strategy, handling the due diligence, negotiating the agreements, making the required domestic and international filings, and participating in the post-acquisition planning. Our M&A team includes intellectual property, tax, labor, employee benefits, real estate and environmental attorneys to resolve the complex issues raised in business combination transactions.

Securities, Investment and Capital Finance

Heller Ehrman's corporate attorneys regularly participate in the formation and funding of complex investment partnerships, venture capital funds, hedge funds, mutual funds and other types of pooled investment vehicles and provide securities law counseling to investment banking firms, broker-dealers and investment advisers. We also represent underwriters and issuers in public offerings and private placements of the debt and equity securities of many different enterprises.

Members of the Corporate Group have represented both technology companies and underwriters in initial and other public offerings and lenders in numerous mezzanine financings in leveraged acquisitions. We regularly represent both providers and users of capital; such experience on "both sides of the table" facilitates vigorous but practical representation of both types of clients.

REPRESENTATIVE INTERNET COMPANY CLIENTS

Heller Ehrman is a pioneer in providing legal services to companies developing Internet technology and those doing business on the Internet. We have been involved with Internet clients since 1987. We work in partnership with many Internet companies, helping them deal with legal and business issues including e-commerce, web hosting, selling computer software electronically, security/encryption and others. Our Internet clients include UUNET Technologies, the first commercial Internet Service Provider, and many other companies which provide content and services on the Web, or which develop applications for the Internet.

- ◆ Alive.com (web-based multimedia presentations)
- ◆ Amadon & Associates (broadband wireless networking)
- ◆ Atcom (Internet access software and portals for business travelers)
- ◆ BandMerchandise.com, Inc. (electronic sales of band merchandise and paraphernalia)
- ◆ Berkeley Software Design (computer software operating systems)
- ◆ BlockBuy (buyer aggregation services)
- ◆ Blue Mountain Arts (electronic greeting cards)
- ◆ BOSS Internet Group (Internet service provider)
- ◆ CantaMetrix, Inc. (music comparison and search technology)
- ◆ Casual Technologies (prepaid anonymous Internet access)
- ◆ Chatspace, Inc. (chat room enabling software)
- ◆ CitySearch, Inc. (regional entertainment listings)
- ◆ CobWeb, Inc. (website design company and e-commerce services vendor)
- ◆ Comps.com (content provider)
- ◆ Copeland's Sports (electronic shopping on the Internet)
- ◆ DataTrust (website hosting)
- ◆ EAIC Corp. (Internet music sampling service)
- ◆ eCompare (comparative pricing)
- ◆ Ensemble Communications (hardware and software Internet access provider)
- ◆ ePIPO (viral marketing)
- ◆ F5 Networks, Inc. (Internet traffic management products)
- ◆ FiNet.com, Inc. (e-commerce home financing services)
- ◆ Gear.com (retailer of sporting goods)
- ◆ Glides International, Inc. (website language translation)
- ◆ GreatFood.com (retailer of specialty gourmet foods)

- ◆ Greyhound Technologies (web-based order and inventory management)
- ◆ Idea Labs (Internet company incubator)
- ◆ Internet Marketing Services (web hosting, design and development)
- ◆ Internet Software Consortium (fundamental Internet software)
- ◆ Intertop Corporation (intelligent Internet applications)
- ◆ IntraLinks, Inc. (extranet, intranet and Internet systems)
- ◆ MediaPro Software (web-based training systems)
- ◆ Net2Phone (provider of IP telephony and Unified Messaging Services)
- ◆ O'Reilly & Associates, Inc. (electronic and traditional publishing)
- ◆ PanGeo Net (electronic commerce travel store)
- ◆ Pacific Content Group (web content in Asia)
- ◆ PhotoDisc/Getty Images (Internet delivery of stock images)
- ◆ Proflowers (Internet flower sales/delivery services)
- ◆ Qpass (Internet transactional billing provider)
- ◆ Seattle Filmworks (Internet delivery of photos; image manipulation software)
- ◆ Simply Internet (ISP)
- ◆ Simplystocks.com (financial comparison information on public reporting companies)
- ◆ Songline Studios (electronic publishing on the Internet)
- ◆ UUNET Technologies, Inc. (ISP)
- ◆ Verio Northwest (ISP)
- ◆ Websidestory, Inc. (website hit tracking service)
- ◆ Wet Feet Press (web content)
- ◆ World Technology Services (dial-up network services)
- ◆ Xyfon (Internet telephony services)

ELECTRONIC COMMERCE

E-commerce has changed the way business is conducted in our global economy. "E-commerce" has evolved as the "catch phrase" for Internet-enabled business transactions. It's scope is broad and is used in the context of any type of Internet-based transaction. However, with all the new capabilities that E-commerce makes possible, there are hidden business and legal costs and risks that need to be identified and assessed before integrating these capabilities into a business.

E-commerce provides many benefits:

- ◆ Enhanced access to prospects and customers; providing an opportunity to sell more to new and existing customers, enhancing services to customers, and providing the opportunity to obtain feedback.
- ◆ Reduced time-to-market, as web and e-mail promotion are faster than traditional methods of printing and mailing.
- ◆ On-demand capabilities - anytime, anywhere communication and enhances responsiveness to global markets. In addition the self service aspect offers expanded transaction bandwidth, lower cost per transaction, and reduced errors.

E-commerce can apply to many types of business functions:

- ◆ Sales and marketing, including customer acquisition, customer development, customer retention, point of sale, customer service and support, and marketing programs.
- ◆ Vendor/supplier management (extranet).
- ◆ Enterprise applications (intranet).

E-commerce brings with it new and evolving legal issues:

- ◆ How to form contracts in electronic transactions, including how to satisfy the Statute of Frauds.
- ◆ How to protect the intellectual property rights of the parties to the transaction.

- ◆ How to provide for payment systems that meet the timing needs of E-commerce.

Commerce and the law are developing solutions to these issues:

- ◆ Businesses are drawing on existing contract law, the Uniform Commercial Code and digital signature statutes.
- ◆ Electronic data interchange agreements provide a mechanism to conduct one-to-one business transactions.
- ◆ Recent laws and decisions have adapted to E-commerce – some courts are recognizing e-mail “signatures,” some states have digital signature statutes, and Article 8 of the UCC has dispensed with the statute of frauds for the sale of securities.
- ◆ Proposed laws will apply to electronic records and licensing; these include the proposed Uniform Electronic Transactions Act, and Article 2B of the UCC.
- ◆ Electronic payment systems include Electronic Funds Transfers (UCC Article 4A), Electronic Fund Transfer Act and Regulation, Smart Cards, and E-Checks.

Heller Ehrman is well-positioned to provide advice in these areas. We have extensive and “cutting-edge” commercial and intellectual property expertise in these areas. Our lawyers are directly involved in the drafting of some of these laws and we have litigated key intellectual property issues that affect E-commerce.

For more information contact:
Matthew L. Larrabee
Telephone: (415) 772-6574
E-mail: mlarrabee@hewm.com

LICENSING, JOINT VENTURES AND STRATEGIC PARTNERSHIPS

Many companies in the life sciences and technology industries rely upon the formation of strategic alliances as a means of producing additional revenue, or as a way of fostering an entrepreneurial approach to research and development. These alliances are achieved through a variety of transactions, such as licenses and technology transfers, as well as more collaborative arrangements, such as joint ventures and research and development, and marketing and distribution agreements.

In 1976, Heller Ehrman White & McAuliffe represented ALZA Corporation in the negotiation of a license agreement with Merck. This agreement was one of the first of its kind and created the basic format for all future license agreements in which an emerging company develops the technology in exchange for royalties on the sale of the product, and the large pharmaceutical or technology company obtains the right to sell the product. Indeed, most of the agreements drafted today derive from this form of agreement. Since that time, Heller Ehrman's Licensing Practice Group has continued to be in the forefront of aiding life sciences and technology companies to acquire, protect and commercially exploit intellectual property rights in their products and services.

Our attorneys are highly experienced in negotiating intellectual property transactions and ensuring that our clients are properly rewarded and protected. We represent many of our clients in key strategic alliances and corporate partnerships, including joint ventures, marketing, distribution, clinical research agreements and other commercial agreements. Heller Ehrman has the experience and technical knowledge to help structure these relationships, whether for large companies seeking to outsource research and development, or emerging companies needing access to greater resources.

Life Sciences Companies

We have represented numerous early stage and mature life sciences companies in negotiations and drafting of agreements with almost every major pharmaceutical company, including, Amgen, Bayer A.G., Bristol-Myers Squibb, Chiron, Ciba-Geigy, Genentech, Glaxo Wellcome, Hoescht Marion Roussel, Hoffman-LaRoche, Johnson & Johnson, Pfizer, Rhone Poulenc Rorer, Schering-Plough, G.D. Searle and Zeneca.

The following is a partial list of our engagements involving life sciences companies:

- ◆ Representation of ALZA Corporation in agreements with Merck and Pfizer
- ◆ Representation of Affymetrix, Inc. in an agreement with Hewlett-Packard Corp.
- ◆ Representation of Sugen in an agreement with Amgen
- ◆ Representation of Aerojet Corporation in an agreement with Schering-Plough
- ◆ Representation of Cepheid in agreements with Innogenetics, LTI, and Vysis
- ◆ Representation of Pherin Pharmaceuticals in agreements with N.V. Organon and Janssen Pharmaceutica
- ◆ Representation of Titan Pharmaceuticals in agreements with Hoechst Marion Roussel and Novartis
- ◆ Representation of FibroGen, Inc. in agreements with Thomas Jefferson University, Duke University, and Zeneca
- ◆ Representation of Maxygen in an agreement with Novo Nordisk
- ◆ Representation of SEQUUS Pharmaceuticals in a joint development agreement with Bayer A.G.
- ◆ Representation of Advanced Polymer Systems in agreements with Johnson & Johnson, Pharmacia and Upjohn and Rhone Poulenc Rorer
- ◆ Representation of DepoMed, Inc. in agreements with Bristol-Myers Squibb and Johnson & Johnson

- ◆ Representation of Accumetrics, Inc. in agreements with G.D. Searle and COR Therapeutics
- ◆ Representation of a start-up biotechnology company in a corporate partnering relationship with a Swiss multinational corporation involving an equity investment, technology license and joint development agreement.

Information Technology Companies

Our attorneys have substantial experience representing companies engaged in innovative technology development in the fields of computer software and hardware, semiconductors, telecommunications, the Internet, multimedia, electronic publishing and electronic commerce.

Our engagements have included:

- ◆ Representation of O'Reilly & Associates in various licensing transactions for domestic and international publishing and distribution of books in electronic format, including its electronic version of its Whole Internet Catalog.
- ◆ Representation of UUNET Technologies, Inc., prior to its acquisition by MFS Communications, in its alliance with Microsoft Corporation.
- ◆ Representation of eShop, prior to its acquisition by Microsoft Corporation, in the formation of strategic alliances with General Electric and AT&T.
- ◆ Representation of Network Resources Corporation in licensing to Ungermann-Bass Networks as part of strategic investment by UB.
- ◆ Representation of Raynet Corporation in licensing its fiber-in-the-loop technology to Pulse Communications, Inc. and received a license to Pulsecom's digital loop carrier technology for use in narrowband and broadband communications networks.
- ◆ Representation of Raychem, a \$1.5 billion materials science company, in two joint ventures: one with AT&T, the other with LM Ericsson, the Swedish-based telecommunications company.
- ◆ Representation of Intuit, Inc. in licenses and cross-licenses with a number of technology companies.

- ◆ Representation of the founders of an image processing start-up company in negotiations with a public company regarding a corporate partnering relationship that involved an equity investment and technology license.
- ◆ Representation of a computer software company in negotiating a strategic alliance with a major photocopier manufacturer.
- ◆ Representation of a major desktop publishing software developer in negotiating an OEM agreement with a computer manufacturer.

Academic Institutions

We have significant experience in licensing and development agreements between academic institutions and life sciences and technology companies. We have negotiated on behalf of our clients with many academic institutions, including California Institute of Technology, Duke University, Thomas Jefferson School of Medicine, University of California Los Angeles, University of California San Francisco, University of Indiana, University of Miami, University of Southern Florida, University of Utah, University of Wisconsin and Yale University.

INTELLECTUAL PROPERTY PRACTICE OVERVIEW

Heller Ehrman lawyers regularly counsel clients with respect to obtaining patents, trademarks, and other intellectual property assets, and avoiding the assertion of such rights by others. In addition, building on its long-established reputation for high-quality litigation and trial work, the firm has lawyers with extensive experience litigating complex patent, copyright, trademark, and trade secret cases.

Intellectual Property Counseling and Portfolio Management

Heller Ehrman attorneys have extensive experience in assisting our clients to develop and manage their intellectual property portfolios, and in maximizing the scope and utility of these critical assets. The firm assists its clients in identifying intellectual property which may be at risk for infringement, and in obtaining and maintaining the appropriate protections, such as patents, copyrights, and trademarks. In the context of corporate acquisitions, investments and financings, for example, multi-disciplinary teams of Heller Ehrman transactional attorneys, litigators, trademark attorneys, and patent lawyers regularly evaluate and counsel our clients regarding the intellectual property assets and licensing-related liabilities of potential investment targets. In addition, a significant part of our practice involves counseling clients with respect to the licensing and distribution of the clients' products, technology and related intellectual property.

General Patent Services

We offer all patent-related services such as patent searching, patent drafting and filing, patent prosecution (including interference practice), patent term extensions and regulatory exclusivity, and opinions with regard to patentability, validity and infringement. Our attorneys work closely with inventors and take a proactive approach to ensure that inventions are properly understood and defined, and are optimally protected. Our practice group includes members with significant international patent experience.

Trademark and Tradename Protection

Our trademark group obtains and maintains trademarks, tradenames and copyrights for many of our clients. We are responsible for the protection of thousands of trademarks both in the United States and internationally. We also have extensive trademark litigation experience, and have represented our clients in opposition and cancellation proceedings in the Patent and Trademark Office.

Trademark Piracy

Among its other intellectual property practice areas, Heller Ehrman has substantial experience in combating domestic and international piracy of our clients' trademarks and copyrights. Many U.S. manufacturers have found that marketing success has led to the unauthorized and widespread duplication of patented, copyrighted or trademarked products. Working closely with counsel abroad, including Heller Ehrman attorneys based in Singapore and Hong Kong, we have coordinated and implemented anti-piracy and seizure efforts around the world, involving products ranging from blue jeans to computer software, to handbags and other luxury goods. Our attorneys in this field are also expert in United States Customs regulations, which can often be utilized to prevent infringing products from entering this country.

Intellectual Property Litigation

Heller Ehrman lawyers have prosecuted and defended complex patent, copyright, trade secret and trademark cases in a variety of industries and across a broad spectrum of technologies. We also believe that our combination of aggressive trial lawyers, working together with experienced patent and/or trademark counsel, produces a consistently powerful and efficient litigation and trial team.

Business Transactions and Licensing

Heller Ehrman has for many years acted as counsel to public and private companies, both large and small, in the semiconductor, computer, biotech and life science, software, medical device and telecommunications industries, among others. We have broad experience in structuring financings, joint ventures, strategic partnerships, mergers and acquisitions, and various forms of licensing transactions for our clients, both domestically and internationally.

EMERGING COMPANIES PRACTICE

Heller Ehrman's Emerging Companies Group provides business and legal counseling to start-up clients. Attorneys in the Emerging Companies Group handle formation, venture capital, corporate finance and securities, joint ventures, licensing transactions, employment issues, and mergers and acquisitions for entrepreneurs and emerging companies. We offer access to legal resources for emerging companies as they grow into mature companies.

Types of Clients

Our clients include companies in a number of high technology industries, including computer hardware and software, Internet, telecommunications, pharmaceuticals, medical devices, and biotechnology. We also serve a diverse group of financial institutions, such as venture capital firms, investment banks, as well as an incubator for high technology start-up companies.

The firm's attorneys advise both small and large technology companies on a broad range of business and legal issues, providing advice and services in the following areas:

Early Stage Business Planning and Choice of Entity

Heller Ehrman provides business and legal counseling to entrepreneurs from the early stages of the business planning process and continues to advise company founders throughout the life cycle of the company. We have worked with many emerging companies, and have become attuned to the particular needs of various industries, and the sources of funding and financing structures typically utilized by those industries.

Venture Financings

Our attorneys have substantial experience in financing transactions. We participate in all stages and types of financings, from early seed investments through later round financings and public offerings. Our attorneys have represented start-up companies, venture capital funds, corporations and individual investors in a large number of venture capital transactions.

Full Spectrum of Services

Our Emerging Companies Group provides a full spectrum of legal services for start-up clients on an integrated basis. These services include licensing, joint ventures and strategic partnerships, labor and employment, tax planning and corporate services for mature companies.

EMERGING COMPANIES PRACTICE

RECENT FINANCINGS

(Heller Ehrman Clients Indicated in Bold)

<u>Company</u>	<u>Investors/ Acquiror</u>	<u>Nature of Transaction</u>
AboveNet Communications Inc. (Internet services)	Kline Hawkes SBIC Primus Technology Fund Other investors	Series D financing
Accumetrics, Inc.	Kleiner Perkins	Series C financing
Advanced Communication Devices Corporation (ethernet chip)	Taiwan investors	Series B financing
Advanced Biointegrated Technologies, Inc. (designer of protein chips for high-throughput screening)	Skyline Venture Partners, Private investors	Series A financing
Affinicast (on-line auditing and customization of Web Advertising)	US Venture Partners	Series A financing
Alive.com, Inc. (multimedia online communication/presentation software)	Polaris Venture Partners, Olympic Venture Partners	Series A and Series B financings
American Xtal Technology (semi-insulating and semi-conducting GaAs wafers and InP wafers)	Overseas investors	Series C financing
Array BioPharma Inc. (pharmaceuticals)	Frazier & Company , Boulder Ventures, Falcon Ventures	Series A financing
Assurance Medical, Inc. (medical devices for cancer detection)	Frazier & Company , TL Ventures, Uromed	Series B financing
Atrionix, Inc. (atrial defibrillation equipment and software)	Premier Medical Partners, Johnson & Johnson, Brentwood, Magic Venture Capital	Series B financing

<u>Company</u>	<u>Investors/Acquiror</u>	<u>Nature of Transaction</u>
Avenue A (Internet advertising services)	Private investor	Series A financing
AviGenics (transgenic poultry)	Cordova Capital, Kitty Hawk Ventures, Javelin Capital	Series C financing
Axis Personal Trainers, Inc. (personal physical-fitness training centers)	Sequoia Capital	Series B financing
BuyMedia, Inc. (online media purchasing service)	Rosewood, Darwin	Series C financing
Calimetrics, Inc. (storage capacity and data transfer technology provider)	JAFCO, Walden	Convertible note and warrant financing
Cardiac Mariners, Inc. (x-ray system for medical applications)	Kline Hawkes SBIC	Series E financing
Cepheid (biotech micro machining)	Invemed, Medtronic, Applewood Associates, Advanced Technology Ventures, Private investors	Series B financing
Classroom Holdings, Inc.	Cambria Group	Series A financing
Constellar Corporation (database software)	Technology Crossover Ventures, Brentwood, Rho Management	Series B financing
Cooking.com (online cooking goods and services)	Vanguard Venture Partners , Tredegar, Private investors	Series B financing
Coryphaeus Software (object oriented modeling software)	Kline Hawkes SBIC	Series B financing
Coulter Pharmaceutical (radioimmunotherapy treatment to combat non-hodgkins lymphoma)	Brentwood , Don Lucas et al, BankAmerica Ventures	Series C financing

<u>Company</u>	<u>Investors/ Acquiror</u>	<u>Nature of Transaction</u>
Crossbow Technology, Inc. (producer of embedded measurement and control subsystems)	Cambria Group	Series A financing
D2K, Inc. (data warehouse solutions for ERP environment)	Vertex Management	Series A financing
Diffusion, Inc.	Brentwood	Series C financing
Diva Communications (wireless local loop telephone)	Ziff Brothers, Brentwood , Norwest	Series C financing
Farcast, Inc. (intelligent agent-based news retrieval service)	Altos Ventures, Vertex Management	Series B financing
FlowDril Corporation (ultra-high pressure waterjet assisted drilling)	Private investors	Series A financing
Galileo (pharmaceutical)	Bay City Capital	Series B financing
Gear.com, Inc. (online closeout sporting goods)	Strategic investor	Series A financing
Google, Inc. (search engine)	Private investor	Series A financing
Glyphica (information management software and systems)	Adobe Ventures, Private investors	Series B and Series C financings
GreatFood.com (online specialty foods)	Private investors, First Analysis Corporation	Series A, Series B and Series C financings
Icast Corporation (video conferencing software)	Accel Partners, Kelly Hanna, Forval Creative, Unterberg Harris	Series B financing
InfoScape (Internet software)	Redleaf Partners	Series A financing, bridge financing
International Video Networks (multimedia productions)	Vertex Management	Series C financing

<u>Company</u>	<u>Investors/Acquiror</u>	<u>Nature of Transaction</u>
Internet Travel Network (Internet-based travel & reservation service)	Brentwood , Contrarian Group	Series A financing
Interwoven (Internet Web management & software)	JK&B Capital, Charter Ventures	Series B financing
KeyNote Systems (Internet software & services)	Private investors led by Jerry Casilli, formerly of Alpha Partners	Series A financing
Leep Technology (temporal database software)	Riordan Lewis & Haden	Series C financing
Lifespan Bioscience, Inc. (discovery & licensing of aging-related genes and proteins)	European investors	Series A financing
Maxspeed Corporation (thin client device)	Walden, Foreign investors	Series B financing
Maxygen, Inc (molecular breeding)	Tecnogen, Private investors	Series C financing
MV Medical Devices, Inc. (medical device)	Institutional Venture Partners	Series A financing
Naxcor (oligonucleotide-based diagnostic products)	Private investors	Series E financing
Net-It Software Corporation (web-based publishing software)	Benchmark Capital, Brinson Partners	Series B financing
NetGravity, Inc. (Internet advertising software)	Ziff Brothers , Hummer Winblad, Redleaf Partners	Series B financing
Netizen Communications, Inc. (collaboration engineering software)	Hansol Capital	Series A financing
Next Wave Technology, Inc. (chips for compression/decompression)	InvesStar Capital (Taiwan), Private investors	Series B financing

<u>Company</u>	<u>Investors/ Acquiror</u>	<u>Nature of Transaction</u>
nQuire Software (software for communication with data acquisition equipment)	RWI Group, Telos Ventures, Sand Hill Financial, Private investors	Series A financing
PhotoDisc (web-enabled photo publishing)	TA Associates	Series A financing
Pinnacle Composite Solutions, Inc. (special composites manufacturer)	Private investors	Series A and Series B financings
PlanetOut (on-line service)	Sequoia Partners, AOL	Series A financing
POINT Biomedical Corporation (delivery technologies applicable to both diagnostic imaging and therapeutics)	Frazier & Company, Sprout Group, Medicus, IVP	Series B financing
Proxinet, Inc.	RWI Group, Softbank Technology Ventures	Series B financing
RAINfinity (Internet server clustering technology)	Serena Investments	Series A financing
Single Chip Systems (semiconductor devices)	Vertex Management, New Enterprise Associates	Series B financing
SkeleTech, Inc. (bone biology contract research)	Frazier & Company	Series A financing
Smart Machines Inc. (robots for semiconductor and flat panel display)	Information Technology Ventures, Bessemer Ventures, Tribridge, Private investors	Series D and Series E financings
SurroMed, Inc.	Institutional Venture Partners, Technogen	Series B financing
SwitchSoft Systems, Inc. (software for network administration, monitoring and provisioning)	RWI Group, Mayfield, Cisco	Series B financing

<u>Company</u>	<u>Investors/Acquiror</u>	<u>Nature of Transaction</u>
Telmax Communications Corp. (wireless telephone for international local loop)	Private investors	Series D financing
Transoft Technology Corporation (enterprise-wide Storage Area Networking (SAN) for digital content creation)	Kline Hawkes SBIC	Series A financing
Vanguard Technology, Inc. (web sites and CD-ROM products)	Quilcap	Series A financing
Worldtalk Corporation (e-mail software)	Vertex Management	Series C financing
XTL Biopharmaceuticals Ltd. (pharmaceuticals)	Biotechvest, Goldman Sachs, Private investors	Class C financing
Xulu Entertainment, Inc. (virtual reality software)	Private investors	Series A financing

STEVEN O. WEISE

Shareholder, Los Angeles Office
Direct Dial: (213) 244-7831
E-Mail: sweise@hewm.com

Steven Weise joined the firm in 1991 and practices in all areas of commercial law, including structuring, negotiating and documenting personal property financings.

Experience: Mr. Weise's experience in commercial law is particularly relevant to e-commerce matters, especially those involving sales, licensing, contract, and warranty issues. His experience in financings is extensive, especially in those secured by personal property, including structured financing. He also handles matters involving sales of goods, real property anti-deficiency laws, workouts, guarantees, letters of credit, commercial paper and checks, and investment securities. In addition, Mr. Weise's experience covers consumer law compliance and general corporate and securities matters, including mergers and acquisitions and private and public offerings.

Mr. Weise is a member of the Permanent Editorial Board for the Uniform Commercial Code, the American Bar Association's Advisor to the Uniform Commercial Code Article 9 Drafting Committee, the liaison from the Article 9 Drafting Committee to the Uniform Commercial Codes Article 2B (software and information licensing) Drafting Committee, a past chair of the American Bar Association's Committee on Personal Property Secured Financing and a past chair of its Committee on Legal Opinions. He is the former chair of the Executive Committee of the Business Law Section of the California State Bar and is the past Chair of its Committee on the Uniform Commercial Code. He is the author of extensive Annual Updates on Commercial Law published by the American Bar Association and the State Bar of California. He also publishes articles on personal property secured transactions in the American Bar Association publication *The Business Lawyer* and lectures widely on commercial law topics and legal opinion letters.

Education: Yale University (B.A., 1971); University of California, Berkeley, Boalt Hall School of Law (J.D., 1974).

DANIEL L. APPELMAN

Shareholder, Silicon Valley Office- Sand Hill Road

Direct Dial: (650) 234-4232

E-Mail: dan@hewm.com

Daniel Appelman joined the firm in 1988 and has a corporate law practice emphasizing the developing law of computers, telecommunications and cyberspace.

Experience: Mr. Appelman's practice emphasizes the protection and commercial exploitation of proprietary rights in high technology products and services, particularly in the computer hardware, software, telecommunications and Internet areas. He has represented clients in licensing transactions in the United States and abroad and in establishing copyrights, trade secret rights and trademark rights related to their inventions.

Mr. Appelman has published articles on computer and telecommunications law and the law of electronic commerce, including a *National Law Journal* article entitled "Policing the Net's Red Light District", a *San Francisco Daily Journal* article on the regulation of on-line securities trading entitled "Electronic Exchange" and an article in *IP Worldwide* on Internet content regulation in the United States after the U.S. Supreme Court's rejection of the Communications Decency Act. He has frequently lectured on legal developments in those fields.

Education: University of California, Los Angeles, School of Law (J.D., 1981); Temple University (Ph.D.; Telecommunications Law and Public Policy; 1983).

Memberships: American Bar Association; State Bar of California; Federal Communications Bar Association.

ALI GHIASSI

Associate, Los Angeles Office

Direct Dial: (213) 689-7602

E-Mail: aghiassi@hewm.com

Ali Ghiassi joined the firm in 1994, and practices corporate and securities law.

Experience: Mr. Ghiassi has significant experience in representing publicly and privately held companies in merger and acquisition transactions, private financings, and public offerings, as well as on-going corporate and securities compliance issues.

Education: University of California, Santa Barbara (B.A., 1988); Pepperdine University School of Law (J.D., 1991); Georgetown University Law Center (LL.M., 1992).

Memberships: State Bar of California.

Representative Engagements:

- ◆ Alex. Brown & Sons Incorporated: Initial public offering of Epic Design Technology, Inc.
- ◆ ALZA Corporation: 1996 \$500 million convertible debt offering
- ◆ DepoMed, Inc.: Initial public offering of common stock and warrants
- ◆ Hambrecht & Quist: Initial public offering of CCC Information Services Group
- ◆ Lehman Brothers: Initial public and follow-on offerings for Inhale Therapeutics Systems
- ◆ PhotoDisc, Inc.: Registered acquisition by Getty Communications plc
- ◆ REMEC, Inc.: Acquisition of Radian Technology, Inc.; acquisition of Verified Technical Corporation; acquisition of C&S Hybrid, Inc.
- ◆ Tencor Instruments: Follow-on offering

- ◆ UUNET Technologies, Inc.: Initial public offering; acquisition of Unipalm Group plc; acquisition by MFS Communications
- ◆ Van Kasper & Company: Follow-on offerings for R.H. Phillips and Cyanotech Corporation
- ◆ Volpe Welty & Co.: Follow-on offering for Cima Labs, Inc.
- ◆ Watkins-Johnson Company: \$100 million asset disposition



VIACOM

3744-0025.0000 (138 - MMM)
IVIEWIT.COM

Epstein, Alan

From: Eliot I. Bernstein [eliot@iviewit.com]
Sent: Monday, March 05, 2001 9:10 PM
To: James R. Jackoway (E-mail); Alan J. Epstein (E-mail)
Subject: FW: iviewit Technologies, Inc.



Paramount letter -
final.doc

- > -----Original Message-----
- > From: Eliot I. Bernstein
- > Sent: Monday, February 26, 2001 6:49 PM
- > To: Kaaren Shalom (E-mail)
- > Cc: 'glenda_hodge@paramount.com'; Robert G. Friedman (E-mail); Jack P. Scanlan (E-mail); Maurice Buchsbaum; Eliot I. Bernstein; Arthur Cohen (E-mail)
- > Subject: iviewit Technologies, Inc.
- >
- > JACK SCANLAN
- > Entertainment Marketing
- >
- >
- > Monday, February 26, 2001
- >
- > Ms. Kaaren Shalom
- >
- > Executive Director Interactive Marketing
- > Paramount Pictures
- > Motion Picture Group
- > 5555 Melrose Avenue
- > Hollywood, CA 90038-3197
- >
- > Dear Kaaren:
- >
- > It was a pleasure meeting with you earlier this month. Eliot and I
- > appreciated your receptiveness to the iviewit(tm) technologies. Having
- > dedicated ourselves to the excellence of the iviewit streaming video and
- > the iviewit Pan&Zoom digital imaging technologies, it is rewarding to
- > bring it to friends and see their acknowledgement and acceptance. It is
- > our hope that the iviewit technologies provide creative solutions to
- > challenges in the creative development of the Paramount Pictures websites.
- >
- > Attached is a detailed response from Eliot, spelling out the initial terms
- > of the iviewit proposal. On an ongoing basis, I will supervise the
- > coordination of iviewit business at Viacom/Paramount Pictures. I will
- > work closely with you to insure prompt response from the respective
- > members of the iviewit staff.
- >
- > After you and those listed have a chance to review the attached letter
- > from iviewit, I'll call to review and set next steps. Shall we set a
- > creative meeting with Eliot and the vendors on the websites you will be
- > selecting for the iviewit project? Thank you for your acceptance of our
- > proposal. I look forward to working with you.
- >



> Regards,
> Jack
> Jack Scanlan
> jack.scanlan@worldnet.att.net
>
>
> ec: Tom McGrath
> Robert G. Friedman
> Arthur Cohen
> Eliot .I. Bernstein
> Maurice Buchsbaum
>
> Jack Scanlan Entertainment Marketing
> 1560 Yosemite Drive, Suite 129, Los Angeles, CA 90041
> Phone and Fax: 323-258-1742
>
>
> NOTE: The information transmitted in and/or attached to this message is
> intended only for the person or entity to which it is addressed and may
> contain confidential and/or privileged material. Any review,
> retransmission, dissemination, or other use of, or taking any action in
> reliance upon, this information by persons or entities other than the
> intended recipient is prohibited. If you received this information in
> error, please contact the sender and delete the material from any
> computer.
>
> <<Paramount letter - final.doc>>



Tuesday, February 20, 2001

Ms. Kaaren Shalom
Executive Director Interactive Marketing
Paramount Pictures Motion Picture Group
5555 Melrose Avenue
Hollywood, CA 90038-3197

Dear Kaaren:

After having met with Rob Friedman and a subsequent meeting with Tom McGrath at Paramount Studios, I am sorry I was unable to attend what I understand was a very substantive recent discussion with Arthur Cohen and you of a potential working relationship between iviewit and Paramount Pictures.

As a follow up to your current conversation with Eliot Bernstein and Jack Scanlan at the most recent meeting in Paramount's offices in Los Angeles regarding the use of the iviewit Streaming Video technology and consideration of our digital imaging technology, I would like to expand upon the terms of an initial relationship between iviewit and Paramount that would be attractive to both parties. As previously mentioned, we would like to provide two select Paramount Pictures movie websites with a six-month courtesy license for the streaming technology. In essence, there would be no charge to Paramount for iviewit's encoding for six formats and other services for the first two (2) movies so placed. Upon successful evaluation of the technology on your two sites (during the six month courtesy license period) we would enter into a usage license agreement with Paramount for our pre-processing streaming technology that would be built into the encoding pricing structure.

I understand from the meeting with Eliot, that you may release approximately twenty movies per year, and the requirements for each film may include between 20 to 30 minutes of encoding for six different formats for each website. We would like you to give us some specifications for these formats and in what form we would receive the data, what editing specifications may be needed (i.e. fade in/fade out),

iviewit Technologies, Inc.
California

505 North Brand Boulevard ♦ Suite 1420 ♦ Glendale, CA 91203-2308

Voice: 818.545.1444 ♦ Fax: 818.545.1440

Florida – Corporate Office

2255 Glades Road ♦ Suite 337 West ♦ Boca Raton, FL 33431

Voice: 561.999.8899 ♦ Fax: 561.999.8810 ♦ Toll: 877.484.8444

New York

245 West 29th Street ♦ 7th Floor ♦ New York, NY 10001

Voice: 718.432.0333 ♦ Fax: 718.432.6524

Chicago

1167 Oxford Court ♦ Highland Park, IL 60035

Voice: 847.432.0873 ♦ Fax: 847.853.0677 ♦ Toll: 877.484.8444

and any other special requirements that you may have. Included herein is an initial pricing structure for your perusal for the streaming technology, including encoding, archiving, and other services. This pricing would only apply to movies after the first two. Thereafter, as discussed with Eliot our pricing to you would be \$1.50 per minute per encode which would include the usage license fee of \$0.50 (fifty cents) per minute of encoding, per stream and is already built into the pricing structure. To allow you the greatest flexibility in the selection of outside vendors for the design and implementation of web projects for Paramount, we would consider granting Paramount a Master License for the iviewit pre-processing technology. In essence, as you select each outside vendor for Paramount, you as a Master Licensee would direct the vendor to use the iviewit streaming and imaging technology for review clips and any other video footage including scenes from films still in production, Electronic Press Kits and other usage.

During the first six-month period of our relationship, we would further refine and evaluate your needs as a framework for our pricing structure. Other terms and conditions of the license agreement would be specified in a letter of intent to follow.

As part of this collaborative business relationship, we would co-brand with you on your sites as discussed in your meeting with Eliot.

With respect to the iviewit smooth Pan and Zoom digital imaging technology, we believe this will greatly extend the significance and use of your Paramount Picture websites and greatly broaden their impact for both modem and broadband usage. For both "major" films such as TITANIC and GLADIATOR, and the broader mix of other annual releases we believe this will enhance both user enjoyment and experience.

The image technology pricing structure would be similarly structured to the above. We would grant you a six-month applet courtesy license followed by a year-to-year pricing format. We would grant you full use of our applet, and for each image setup for a given website, your cost (price) for preparation of each image would be \$3.

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Usage of the license would be based on number of “hits” per image per month on your site follows:

Up to the first 1000 hits per image on the site	\$0.13 per hit
1001 to 4999 “ “ “ “	\$0.125 per hit
5000 to 9999 “ “ “ “	\$0.12 per hit
10000 to 49999 “ “ “ “	\$0.11 per hit
50000 + “ “ “ “	\$0.10 per hit

To become more comfortable with your outstanding websites, we would like to suggest the first 180 days as a review period to gain experience in the pattern of your users and provide a proper staging of the discount structure as shown above to give you the greatest flexibility. We have been gratified by your careful review of our technology and the most effective format for its use by Paramount. We will extend every effort to provide a superb technology solution to you and get it on site as quickly as possible.

During Eliot’s last meeting, it was indicated that you would like to get started as soon as possible in order to impact the technology on your websites and provide the best viewing experience and enjoyment for the user. If you have any questions or need additional information, please feel free to give me a call at my office, (561) 999-8899. We look forward to working with you and your group at Paramount Pictures and the mutual development of a significant relationship.

Thank you in advance for your consideration of our proposal.

With kindest regards,

Maurice R. Buchsbaum
Executive Vice President

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Tuesday, February 20, 2001

Ms. Kaaren Shalom
 Executive Director Interactive Marketing
 Paramount Pictures Motion Picture Group
 5555 Melrose Avenue
 Hollywood, CA 90038-3197

TL:
iviewit
Uiacom

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50000 +	" " " "	\$0.10 per hit

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Thank you in advance for your consideration of our proposal.

With kindest regards,

Maurice R. Buchsbaum
Executive Vice President

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CLIENT/MATTER MEMORANDUM

FOR NEW CLIENTS ONLY, MARK APPROPRIATE BOX

P	PERCENTAGE	H	NON-PERCENTAGE
TYPE OF CLIENT		TYPE OF LAW	
A	ACTOR	1	FEATURE
B	BUSINESS GENERAL	2	TV
D	DIRECTOR	3	TAX
E	EXECUTIVE	4	REAL ESTATE
L	PLAYWRITER	7	CORPORATE
M	MUSICIAN	100	ENTERTAINMENT
O	OTHER INDIVIDUAL	200	BUSINESS
PR	PRODUCER	300	ESTATE PLANNING
W	SCREENWRITER		

Form Must be Typewritten

APPROVED BY INTAKE COMMITTEE

YES NO

Arly

CLIENT INFORMATION

NEW EXISTING

CLIENT NAME: *Viewit.com* # TO BE ASSIGNED: _____ CLIENT #: *3744*

BILLING ADDRESS ATTN: _____ WORK PHONE: _____

CITY: _____ STATE: _____ ZIP CODE: _____

BUS. MGR./ACCOUNTANT ORIGINATING ATTORNEY: *ASE* AGENT ATTORNEY #: _____

MATTER INFORMATION

MATTER NAME: *Viacom* MATTER #: *25* TO BE ASSIGNED

BILLING ATTORNEY: _____ ATTORNEY #: _____

ADDITIONAL ATTORNEYS: _____ ATTORNEY #'s: _____

FOLDER INFORMATION

FILE TITLE: _____ FOLDER #: _____ TO BE ASSIGNED

SUB FILE TITLES: _____

RETURN FILE LABELS TO: *Rotane* FILE LOCATION: *ASE*

CHECK FOR CONFLICTS: YES NO

CHANGES/CLOSING INFORMATION

CHANGES: CLIENT NAME MATTER OTHER

CLOSING: CLIENT MATTER

CLIENT NAME: _____ CLIENT NO.: _____

MATTER NAME: _____ MATTER NO.: _____

OTHER: _____

SEND FILES TO: CLIENT ATTORNEY STORAGE

IF SENT TO STORAGE, WHAT IS RETENTION PERIOD? _____

MEMO PREPARED BY: *Emmanuel* DATE: *4/6/01*

APPROVED BY: *ASE* BILLING ATTORNEY SIGNATURE

CONSULTANTS

MEGA

3744-0015.2

IVIEWIT.COM

(138 - MMM)

Epstein, Alan

From: Tyerman, Barry
Sent: Sunday, January 30, 2000 10:20 AM
To: (earthlink) AJE
Subject: Re: Iviewit/Nomad

To: Iviewit / Nomad

SocolofRED.rtf

Alan,

Please see some of my CAPITALIZED comments and/or changes to the Socolof letter. Much of this can be handled in the more formal agreements, assuming you get that far. Look forward to seeing you on Monday. Thanks. B.T.

----- Original Message -----

From: "Alan Epstein" <ajepstein@earthlink.net>
To: "Brian Utley" <Brian@iviewit.com>; "Eliot Bernstein" <alps@netline.net>
Cc: "Don Kane" <dg_kane@email.msn.com>; "Chris Wheeler" <cwheeler@proskauer.com>; "Michele Mulrooney" <mmulrooney@ahjtw.com>; "George Hayum" <ghayum@ahjtw.com>; "Roxane Quinn" <rquinn@ahjtw.com>; "Barry Tyerman" <btyerman@ahjtw.com>
Sent: Monday, January 24, 2000 10:23 AM
Subject: Iviewit/Nomad

> Eliot and Brian:
>
> Attached is a draft letter to Dan Socolof re Nomad. It sets forth a
> proposal I discussed briefly with Brian this a.m. Yesterday Dan asked
> for \$500k on a license (no equity) basis, with \$250k down now. I told
> him that was too high. He asked for a written proposal TODAY, with
> the
> enclosed letter does.
>
> I've tried to minimize the cash downpayment. Don't think we'll get if
> for anything less than \$100k down up front. My proposal is a great
> deal
> for Iviewit, if it's accepted. My guess is that it will be negotiated
> further.
>
> Absolutely need to get back to Dan today. Immediate review required.
> Call me on my mobile at 310/871-9512, or call me at the law firm of
> Godfrey & Kahn (414/273-3500, get me through Scott Fabry or his
> ass't).
>
> Brian, can you please forward a copy of this email to Sy, Gerry and
> Jeff.
>
> Best, Alan Epstein
>
>
>
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Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C.

1888 Century Park East
18th Floor
Los Angeles, California 90067
tel. 310/553-0305
fax. 310/553-5036

January 24, 2000

Via e-mail

Mr. Dan Socolof
c/o MEGA
6787 West Tropicana Ave.
Las Vegas, Nevada 89103

Re: "Nomad" Proposal

Dear Dan:

Yesterday you asked me to send you a written proposal from Iviewit regarding the Nomad project. Before doing so, let me restate the obvious. Iviewit is extremely excited about the opportunity to showcase its state-of-the-art video and imaging technology on this project. Iviewit can help Nomad achieve the high level quality of streaming video which is necessary to effectuate a profitable pay-per-view Internet distribution strategy with minimum bandwidth constraints, and Nomad can help Iviewit launch its branding campaign on the way to having its technology elected by the marketplace. A win-win, to be sure.

With that said, set forth below is a proposal relating to the participation and investment by Iviewit, Inc. ("Iviewit") in the "Nomad" Internet/film project starring Heidi Klum, Rachel Roberts and Estella Warren and directed by Russell James (the "Film"), which Film is currently owned by an entity or group of entities controlled by yourself and Russell James (such entity(ies) will be referred to as "NomadCo."):

A. Iviewit Gives NomadCo.:

1. \$100,000 in cash payable upon execution OF FORMAL DOCUMENTATION AND IVIEWIT'S APPROVAL OF THE CHAIN OF TITLE TO THE FILM, INCLUDING THE UNDERLYING DOCUMENTATION (OR AJE HAS THIS ALREADY BEEN DONE? ARE THERE OTHER DOCUMENTS OR ACTIONS THAT SHOULD BE A CONDITION PRECEDENT TO PAYMENT??? SHOULD THE MONEY GO INTO AN ESCROW ACCOUNT TO ASSURE THAT IT IS USED ON

THE PRODUCTION OF THE FILM AND THAT THE FILM IS ACTUALLY PRODUCED? DO THEY HAVE A COMPLETION BOND FOR THE PICTURE? LET'S DISCUSS THIS WHOLE AREA. THE DISASTER SCENARIO IS YOU PUT THE MONEY IN AND END UP GETTING NOTHING);

2. An additional \$125,000 in cash, payable as follows: \$62,500 upon commencement of principal photography of the Film and \$62,500 upon the release for Internet distribution of the last webisode/arc (WHAT DOES THAT MEAN??? WHEN DO YOU KNOW WHEN THAT HAS OCCURRED? IS THERE A PREAPPROVED SCHEDULE OF DELIVERY OF webisode; NUMBER, LENGTH, ETC. OR IS THIS TO BE WORKED OUT?) comprising the Film;

3. A number of shares of common stock of Iviewit representing .5% of its issued and outstanding shares, determined immediately prior to the issuance of shares to venture capital investors in the current \$1 million round at a \$25 million post-money valuation. At such a valuation, NomadCo's common shares of Iviewit would be worth approximately \$125,000 (THIS IS BASED ON THE INVESTOR PRICE, NOT A REPRESENTATION AS TO "REAL VALUE", I TAKE IT????). Iviewit intends to raise its next round of funding in the near future at a \$100 million valuation, which would result in a significant appreciation in value in the stock position (AGAIN...A SALES PITCH NOT A GUARANTEE??). Iviewit would be willing to grant NomadCo. fully-vested options or warrants to acquire common shares (in lieu of actual shares) at a nominal exercise price, if NomadCo. determines that this would be more beneficial for tax reasons or otherwise;

4. Iviewit WILL AGREE TO PROCESS AND ENCODE the video for the Film (each webisode/arc plus any promotional footage, trailers, etc.) for Internet distribution in accordance with Iviewit's high quality parameters without cost to NomadCo. Under Iviewit's current pricing model, it will charge \$1,000 per second for high quality video processing, with a reduced fee for longer videos. This is an extremely labor intensive process which requires Iviewit to analyze carefully and touch up each frame of video to minimize pixelation and enhance quality. The total value of the services being offered by Iviewit in this regard is substantially in excess of \$500,000 (HOW CAN YOU DO THIS FOR FREE???); and

5. Iviewit is not asking for a profit participation or equity interest in the Film or NomadCo., and Iviewit will not have any recoupment rights with respect to its cash investment in the Film.

B. NomadCo. Gives Iviewit:

1. The exclusive worldwide right to be the processing and encoding technology for the Internet distribution of the Film (including each webisode/arc and the entire movie) (WHAT IS THE INVERSE; I.E. WHAT ARE THE LIMITATIONS ON NOMAD'S RIGHT TO BE IN BUSINESS WITH IVIEWIT COMPETITORS? HOW IS

THAT DEFINED; I.E. ARE THERE COMPETITORS OTHER THAN THOSE IN “PROCESSING AND/OR ENCODING TECHNOLOGY”?);

2. Each arc/webisode (and the entire movie) which is distributed on the Internet (from any source and at any time) will be watermarked with the Iviewit logo or a derivation thereof (e.g., “powered by Iviewit”) in the bottom right hand corner of the screen displaying the video for the first and last minute of each webisode (SIZE, STYLE, ETC.??? ANY LIMITATIONS ON OTHER WATERMARKS OR CREDITS?);

3. An above-the-fold prominent link on each website distributing the video (i.e., NomadCo.’s website and/or any third party sites) to Iviewit’s website;

4. Prominent acknowledgment IN MUTUALLY APPROVED STYLE, SIZE AND PLACEMENT of Iviewit’s role and technology in connection with the Film: (a) in all press releases, publicity, advertising, promotional and marketing materials, and (b) on the NomadCo. website and on any other website which distributes the Film, with the specific language and placement in each case to be mutually approved (we can discuss this in advance, so that you know what we’re looking for);

5. The right to have an Iviewit representative present AND PARTICIPATING at all press conferences, media events, media interviews, conventions and trade shows relating to NomadCo. and/or the Film, with the opportunity to place Iviewit signage and banners in a prominent position at conferences, events, DEMONSTRATE IVIEWIT PRODUCTS, DISTRIBUTE IVIEWIT LITERATURE AND PROMOTIONAL MATERIAL, etc.

6. The right of full and meaningful consultation with respect to the marketing and publicity campaign and any other promotional or marketing efforts relating to the Internet distribution of the Film (DON’T YOU WANT TO BE KEPT REASONABLY UP TO DATE ON THE RELEASE AND/OR DISTRIBUTION IN THEATRICAL, HOME VIDEO AND OTHER MARKETS, AT LEAST AS TO TIMING, ETC., SO THAT YOU CAN PIGGYBACK AND/OR COORDINATE WITH THEIR PROMOTIONS?);

7. The right to display and distribute on the Iviewit site for three years no less than thirty photographs of Heidi Klum, Rachel Roberts and Estella Warren (and any other supermodels involved with the Film), using Iviewit’s imaging technology. It is contemplated that these photographs would come from Russell James’ archive (i.e., the photos would not be related to the Film), and each photograph would be mutually approved by Iviewit and Mr. James;

8. The right to display and distribute on the Iviewit site for three years still photographs and video clips FROM AND/OR relating to the Film, including without limitation behind-the-scenes footage from the “making of” the Film, interviews with the supermodels prior to and during the production of the Film, and any and all other

still images, video and any other marketing, advertising and promotional materials, information or data in any form provided or released to third parties in connection with the “viral” marketing campaign or other marketing or advertising efforts relating to the Film. Iviewit would like to receive any and all of such materials no later than when they are made available to any third party or posted on the NomadCo. site;

9. The right to advertise the Film and Iviewit’s involvement with the Film, using the advertising and marketing materials (including photographs of the supermodels, title, key art, etc.) provided by NomadCo.; and

10. A thirty day right of first negotiation (AND LAST REFUSAL?) to be the exclusive ENCODING AND/OR processing technology for Internet distribution with respect to any sequel, remake or spinoff of the show.

11. A covenant that the distribution of the first webisode/arc of the Film on the Internet will occur at least ___ months (to be discussed) prior to any theatrical release, television, pay television, or pay-per-view television release, or DVD or video home distribution, MARKETING OR ADVERTISING of the Film.

C. Additional Information:

Prior to concluding a deal, we would very much appreciate receiving the following additional information relating to the Film and NomadCo.:

(i) Status of financing efforts. Yesterday you mentioned that the European group offered to finance 100% of the budget under a participating loan structure. Can you please send me a copy of their offer in this regard or a letter of commitment?;

(ii) The existence (actual or contemplated) and nature of any other technology investors/partners in the Film or NomadCo.;

(iii) Confirmation that Russell James owns all of the rights necessary to authorize Iviewit’s use of the photographs referenced in Paragraph B.7. above, and an opportunity to see such photographs with a view towards developing a pre-approved list; and

(iv) Copy of a written assignment (in the form of a customary Certificate of Authorship) executed by Russell James, Dan Socolof, the writer of the screenplay AND ANY OTHER INDIVIDUALS AND ENTITIES HAVING ANY RIGHTS , for the benefit of NomadCo., of the copyright and any and all other intellectual property rights in and to the Nomad treatment, screenplay and characters and all ancillary rights and distribution rights relating thereto.

We believe that Iviewit's offer is fair and balanced. Iviewit is offering cash, stock and services with a combined value in excess of \$750,000, without asking for any equity or recoupment rights in the Film. Most importantly, though, is the ability of Iviewit to help NomadCo. maximize its return in the project by giving it the ability to stream video with the highest quality and least bandwidth cost available in the marketplace today.

Please call me with any comments or questions you may have on this proposal. As you know, I will be out of the office until Wednesday of this week, although I will be reachable at all times on my mobile (310/871-9512) or through my assistant Roxane Quinn (310/553-0305).

Since I am concurrently sending a copy of this email to Iviewit and its other representatives, I must of course reserve their right to comment further.

Best personal regards.

Very truly yours,

Alan J. Epstein

aje/wp/letters/socolof.doc

cc: Mr. Eliot Bernstein
Mr. Brian Utley
Mr. Simon Bernstein
Mr. Jeff Friedstein
Mr. Don Kane
Mr. Gerry Lewin
Chris Wheeler, Esq.
Barry Tyerman, Esq.

LAW OFFICES OF
ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER

1888 CENTURY PARK EAST, 18TH FLOOR

LOS ANGELES, CALIFORNIA 90067

TELEPHONE: (310) 553-0305 TELECOPIER: (310) 553-5036

TELECOPIER TRANSMITTAL SHEET

DATE: January 28, 2000

RECIPIENT: Mr. Eliot Bernstein 561-999-8810
Mr. Brian Utley

CC: Mr. Jeff Friedstein 312-655-5019
Mr. Donald Kane 630-325-7285

FROM: Alan J. Epstein, Esq.

CLIENT/MATTER: Nomad

NUMBER OF PAGES: 6 (including cover page)

MESSAGE:

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential or exempt from disclosure under applicable Federal or State law. If the reader of the message is not the intended recipient or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited.

If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address via regular U.S. mail.

If all pages are not received, please contact sender at (310) 553-0305. Thank you.

G:\WP\AJE\FAX\BERNSN_E.FAX

Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C.
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Mr. Dan Socolof
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Dear Alan; we are relatively close; to quote Elliot; if you really want to close this deal— this is the deal that can be closed. In effect you get what you need and vice versa. We will deliver the first images in the form of pictures and two minutes of video to ivewit within two weeks of receiving the first payment.

These comments are subject to a written confirmation by both ivewit and RJ/DS to become binding but I believe I can deliver this deal.

All the best

DS (cc Russel James)

Dear Dan:

Yesterday you asked me to send you a written proposal from Ivewit regarding the Nomad project. Before doing so, let me restate the obvious. Ivewit is extremely excited about the opportunity to showcase its state-of-the-art video and imaging technology on this project. Ivewit can help Nomad achieve the high level quality of streaming video which is necessary to effectuate a profitable pay-per-view Internet distribution strategy with minimum bandwidth constraints, and Nomad can help Ivewit launch its branding campaign on the way to having its technology elected by the marketplace. A win-win, to be sure.

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A. Ivewit Gives NomadCo.:

1. ~~\$100,000~~ \$150,000 in cash payable upon execution;
2. An additional ~~\$1225,000~~ in cash, payable as follows: ~~\$6112,500~~ upon commencement of principal photography of the Film and ~~\$6112,500~~ upon the release for Internet distribution of the Firstlast webisode/arc comprising the Film;
3. A number of shares of common stock of Iviewit representing .75% of its issued and outstanding shares, determined immediately prior to the issuance of shares to venture capital investors in the current \$1 million round at a \$25 million post-money valuation. At such a valuation, NomadCo's common shares of Iviewit would be worth approximately \$187,25,000. Iviewit intends to raise its next round of funding in the near future at a \$100 million valuation, which would result in a significant appreciation in value in the stock position. Iviewit would be willing to grant NomadCo. fully-vested options or warrants to acquire common shares (in lieu of actual shares) at a nominal exercise price, if NomadCo. determines that this would be more beneficial for tax reasons or otherwise;
4. Iviewit processes and encodes the video for the Film (each webisode/arc plus any promotional footage, trailers, etc.) for Internet distribution in accordance with Iviewit's high quality parameters without cost to NomadCo. Under Iviewit's current pricing model, it will charge \$1,000 per second for high quality video processing, with a reduced fee for longer videos. This is an extremely labor intensive process which requires Iviewit to analyze carefully and touch up each frame of video to minimize pixelation and enhance quality. The total value of the services being offered by Iviewit in this regard is substantially in excess of \$500,000; and
5. Iviewit is not asking for a profit participation or equity interest in the Film or NomadCo., and Iviewit will not have any recoupment rights with respect to its cash investment in the Film.

B. NomadCo. Gives Iviewit:

1. ~~The exclusive worldwide right to be the processing and encoding technology for the Internet distribution of the Film (including each webisode/arc and the entire movie); and iviewit.com warrants that the encoding process will enhance the ability for the internet webisodes to be viewed on Microsoft Media Player and or Real Player without any technical problems attendant to those player platforms;~~
2. Each arc/webisode (~~and the entire movie~~) which is distributed on the Internet (from any source ~~and at any time~~) will be watermarked with the Iviewit logo or a derivation thereof (e.g., "powered by iviewit") in the bottom right hand corner of the screen displaying the video for the first and: 45 seconds ~~last minute~~ of each webisode;

3. I.M. Nomad will introduce ivewit.com to each website that may distribute the film so that ivewit.com can discuss mutually beneficial marketing partnerships, and i.m Nomad will include a link from any website it controls to ivewit.com's website. An above the fold prominent link on each website distributing the video (i.e., NomadCo.'s website and/or any third party sites) to Ivewit's website;

4. Prominent acknowledgment of Ivewit's role and technology in connection with the Film: (a) in all press releases, publicity, advertising, promotional and marketing materials that are focused on the internet release, and (b) on the NomadCo. website and on any other website which distributes the Film, with the specific language and placement in each case to be mutually approved (we can discuss this in advance, so that you know what we're looking for);

5. The right to have an Ivewit representative present at all press conferences, media events, media interviews, conventions and trade shows relating to NomadCo. and/or the Film that are focused on the internet distribution, with the opportunity to place Ivewit signage and banners in a prominent position at conferences, events, etc. related to the internet distribution.

6. The right of full and meaningful consultation with respect to the marketing and publicity campaign and any other promotional or marketing efforts relating to the Internet distribution of the Film;

7. The right to display and distribute on the Ivewit site for one three years no less than thirty photographs in aggregate of Heidi Klum, Rachel Roberts and Estella Warren in character from the film as shot and approved by Russel James (and any other supermodels involved with the Film), using Ivewit's imaging technology. It is contemplated that these photographs would come from Russell James' archive (i.e., the photos would not be related to the Film), and each photograph would be mutually approved by Ivewit and Mr. James;

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9. The right to advertise the Film and Ivewit's involvement with the Film, using the advertising and marketing materials (including photographs of the supermodels, title, key art, etc.) provided by NomadCo.; and

10. A thirty day right of first negotiation to be the exclusive processing technology for Internet distribution with respect to any sequel, remake or spinoff of the show.

11. ~~N/A~~ covenant that the distribution of the first webisode/are of the Film on the Internet will occur at least ___ months (to be discussed) prior to any theatrical release, television, pay television, or pay per view television release, or DVD or video home distribution of the Film.

C. Additional Information:

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(ii) ~~The existence (actual or contemplated) and nature of any other technology investors/partners in the Film or NomadCo.;~~

(iii) ~~Confirmation that Russell James owns all of the rights necessary to authorize Ivieuit's use of the photographs referenced in Paragraph B.7. above, and an opportunity to see such photographs with a view towards developing a pre-approved list, and~~

(iv) ~~Copy of a written assignment (in the form of a customary Certificate of Authorship) executed by Russell James, Dan Socolof, and the writer of the screenplay, for the benefit of NomadCo., of the copyright and any and all other intellectual property rights in and to the Nomad treatment, screenplay and characters and all ancillary rights and distribution rights relating thereto.(?) explain~~

We believe that Ivieuit's offer is fair and balanced. Ivieuit is offering cash, stock and services with a combined value in excess of \$750,000, without asking for any equity or recoupment rights in the Film. Most importantly, though, is the ability of Ivieuit to help NomadCo. maximize its return in the project by giving it the ability to stream video with the highest quality and least bandwidth cost available in the marketplace today. (will ivieuit warrant that in the LOA?)

Please call me with any comments or questions you may have on this proposal. As you know, I will be out of the office until Wednesday of this week, although I will be reachable at all times on my mobile (310/871-9512) or through my assistant Roxane Quinn (310/553-0305).

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nja/wp/lewin/socolof.doc

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Mr. Simon Bernstein
Mr. Jeff Friedstein
Mr. Don Kane
Mr. Gerry Lewin
Chris Wheeler, Esq.
Barry Tyerman, Esq.

Questions for Eliot/Brian:

1. was the conversion to C corp status completed? if so, what is the name of the iviewit corp? **Yes. Iviewit, Inc., a Delaware corporation.**
2. number of common shares issued and outstanding b4 current round of VC investment?
3. number of common shares being issued to the VC investors for \$1 million?
4. is it correct to say that iviewit is the exclusive "processing" **and encoding** technology? I would rather it be the exclusive streaming video technology. Is that accurate? Processing sounds too narrow, and others may not know what it means. Is it encoding, or something else?
5. has the \$1 million round closed? if not, when? likelihood of closing? can you spare the \$225k of cash contemplated above out of the \$1 million?

MEGA

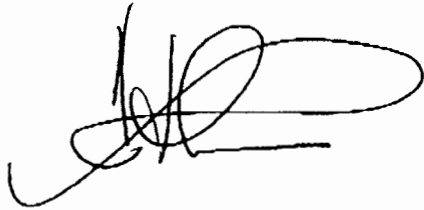
Facsimile Transmittal

Date: 1-27-00
Attention: Roxanne From: Heather
Fax Number: 3/203-2578 #Pages: 6
Re: viewit Nomad proposal.

Roxanne -

Here 'tis.

Best,

A handwritten signature in black ink, appearing to be 'Heather', written in a cursive style.

Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C.
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cc: Mr. Eliot Bernstein
Mr. Brian Utley
Mr. Simon Bernstein
Mr. Jeff Friedstein
Mr. Don Kane
Mr. Gerry Lewin
Chris Wheeler, Esq.
Barry Tyerman, Esq.

Questions for Elliot/Brian:

1. was the conversion to C corp status completed? if so, what is the name of the iviewit corp? **Yes. Iviewit, Inc., a Delaware corporation.**
2. number of common shares issued and outstanding b4 current round of VC investment?
3. number of common shares being issued to the VC investors for \$1 million?
4. is it correct to say that iviewit is the exclusive "processing" **and encoding** technology? I would rather it be the exclusive streaming video technology. Is that accurate? Processing sounds too narrow, and others may not know what it means. Is it encoding, or something else?
5. has the \$1 million round closed? if not, when? likelihood of closing? can you spare the \$225k of cash contemplated above out of the \$1 million?



One Boca Place, 2255 Glades Road, Ste. 337, Boca Raton, FL 33431
561.999.8899 - FAX 561.999.8810 - www.iViewit.com

FACSIMILE TRANSMITTAL SHEET

RECEIVED

DEC 20 1999

ALAN J. EPSTEIN

TO: Alan Epstein
FROM:
COMPANY: iViewit.com
DATE: 12/20/99
FAX NUMBER: 310 553-5030
TOTAL NO. OF PAGES: 3
RE: MEGA

NOTES/COMMENTS:

Dear Alan,

Per Eliot's request I am sending you the following letter of agreement signed by Daniel Socoloff for your review.

Thank you for your attention to this matter.

Sincerely,

Jen

To:

iViewit /
Consultants /
Socoloff / MEGA
(with file)

MEGA

December 19, 1999

Mr. Brian Utley
President and Chief Operating Officer
Iviewit.com, LLC
2255 Glades Road Suite 337 West
Boca Raton, Florida 33431-7360

Dear Brian,

I have developed a simple letter of agreement that captures the essence of our agreement as discussed over the past few days. If anything is misstated or omitted, it is unintentional and likely due to the rapid nature of the requirement to move ahead at lightning speed. Any modifications can be easily incorporated by our mutual agreement. That said, I have not submitted this to our attorney to avoid a development and review period that is simply untenable given your need for us to initiate work this week.

This term letter, when countersigned by you, shall serve as our agreement for MEGA to provide the non exclusive consulting services of its President, Daniel Socolof, to Iviewit.com under the terms and conditions stated below.

Background:

Iviewit.com desires to hire MEGA to provide consulting services, on a work for hire basis, to assist Iviewit.com in developing business strategies and assist Iviewit.com in presenting those strategies to individuals and companies that Iviewit.com has targeted for potential investment.

Iviewit.com will indemnify MEGA, Inc. and its employees against any claims that may arise as a result of representations that Iviewit.com makes to investors directly and indirectly with MEGA's support. It is expressly understood that MEGA is acting as a consultant to Iviewit.com and any and all representations to potential investors will presented on behalf of Iviewit.com in accordance with all local, state and federal law.

Iviewit.com desires to use its technologies to develop business strategies for potential deployment that leverage its core technologies in the field of streaming video on demand via the Internet. Therefore, MEGA and Iviewit.com have agreed as follows:

Term:

The term of this agreement shall commence upon execution and run through January 31, 2000.

Consulting Services:

MEGA will provide the following services to Iviewit.com:

Marketing Entertainment Group of America, Inc.

6787 W. Tropicana Ave. • Suite 441-442 • Las Vegas • Nevada • 89103
• (702) 284-7102 • email: meganyc@aol.com

1. MEGA will attend a business strategy meeting in Los Angeles on December 21-22 organized and paid for by iviewit.com relating to the development of potential marketing strategies for the broadband video on demand marketplace.
2. At this meeting MEGA will:
 - (i) Discuss business opportunities relating to television quality, full screen streaming video on demand over the Internet.
 - (ii) Provide marketing insights into how iviewit.com could leverage its core technologies to develop a business within the video on demand Internet space. (This will require a full briefing by iviewit of its patent's and their competitive advantages on a confidential basis)
 - (iii) Provide content aggregation advice and strategies.
3. MEGA will assist iviewit.com in the development of a written executive business overview. It is agreed that iviewit.com will engage a separate entity, SRO Consultants of Los Angeles California, to draft and format the document. The fee for SRO is \$10,000 (ten thousand dollars) and will be paid to MEGA Inc. on behalf of SRO.
4. MEGA will provide Daniel Socolof to attend additional meetings, on a non-exclusive basis, throughout the term subject to reasonable scheduling with advance notification.

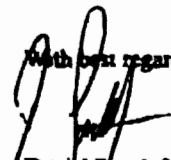
Compensation:

As compensation for its consulting services for the term and services described herein, iviewit.com, LLC will pay MEGA, Inc. the sum of \$50,000 (fifty thousand dollars) and \$10,000 (ten thousand dollars) for the services of SRO Consultants on the following schedule:

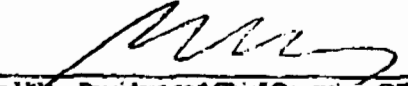
1. \$30,000 on December 21st, 1999
2. \$20,000 on January 21st, 2000 or earlier, on the date of submission of the final draft of the executive summary when it is submitted to iviewit.com

Iviewit.com will promptly reimburse MEGA for all travel and related expenses within five business days of receipt of invoices and bona fide back up for expenses.

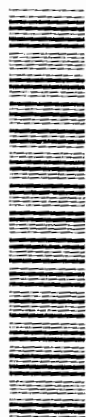
Brian, we are excited to work with you, Elliot and your team and look forward to building a long-term relationship and contributing to the success of iviewit.com. Thank you for the opportunity.

With best regards,

 Daniel Socolof
 President, MEGA Inc.

Agreed and accepted for iviewit.com, LLC


 Brian Uley, President and Chief Operating Officer

12/20/99
 Date



INVESTORS
SERIES B

3744-0009.2.3
IVIEWIT.COM

(138 - MMM)

Epstein, Alan

From: Eliot I. Bernstein [eliot@iviewit.com]
Sent: Monday, August 14, 2000 2:49 PM
To: 'Epstein, Alan'
Subject: RE: Series A Investors
Importance: High

Alan - Do we have connects at Kleiner and Benchmark?

-----Original Message-----

From: Epstein, Alan [mailto:AEpstein@AHJTW.com]
Sent: Friday, August 11, 2000 1:19 PM
To: buchs@bellsouth.net
Cc: Bernstein, Eliot (Bellsouth) (E-mail); Brian G. Utley
Subject: RE: Series A Investors

thx for the note. we can explain the wachovia situation and your perspective on this when we meet with ira. sounds logical to me. as to whether or not the other Silicon Valley VC firms will not be interested because we're based in Florida, that remains to be seen. i would think that the size and scope of this platform technology would help us to cross state lines. talk to you soon. aj

ti
iviewit (Series)
B

-----Original Message-----

From: maurice r. buchsbaum [mailto:buchsb@bellsouth.net]
Sent: Thursday, August 10, 2000 8:25 PM
To: Epstein, Alan
Subject: Re: Series A Investors

Dear Alan:

Thank you for your thoughts and considerable work on behalf of iviewit and its current financing needs. With respect to the Kleiner and Benchmark possibilities, I think you will find that the larger groups such as this are

RE: Series A Investors

more interested in "California" and related area investments and rarely go outside their area. Even with our move of a sales office to LA, they will view the Company as Florida based at this time. Further, in recent transactions by both of these entities, they are "processing" large numbers of venture deals (primarily because of their sheer size and investment requirements), and are less likely to meet our timely and smaller investment needs. However, I think that your other possibilities such as TMCT Ventures, Technology Partners and others that are cordial to your firm are a much better bet for iviewit at this time.

With regard to

Epstein, Alan wrote:

- > I spoke today with Michael Song of TMCT Ventures. I had to send him another
- > copy of the biz plan, so they aren't out yet. I also spoke today with Ira
- > Ehrenpreis, who is a partner at Technology Partners. This is a Palo Alto
- > based investment bank which runs a number of VC funds. They recently closed
- > a \$250M IT oriented fund. I pitched iviewit hard, and he seemed to get it
- > and appreciate the possibilities. Ira is a friend of mine, and I think he
- > will give it very serious consideration. We should anticipate making a trip
- > to the Bay Area in the next few weeks to meet with Technology Partners.
- We
- > also may want to meet one or two more VC firms, like a Kleiner Perkins or a
- > Benchmark. We also should go meet with our San Francisco-based client
- > MusicBank.com, which is going to encode every CD and every DVD ever made.
- > They are interested in discussing an overall license or processing deal with
- > iviewit.

8/21/00

RE: Series A Investors

- >
- > Incidentally, Ira Ehrenpreis mentioned that he does not believe that
- > Wachovia should be our first choice for the Series B round. He didn't
- > believe that they would be viewed by Wall Street as a strategic or
- > synergistic investment bank in this particular sector. I told him that we
- > were talking to many different companies, but that Wachovia so far has
- been
- > the most aggressive. Maurice, I'd appreciate your thoughts on this.
- >
- > Talk to you soon. AJE

Epstein, Alan

From: Tom Unterman [Tom@tmctventures.com]
Sent: Monday, August 07, 2000 8:08 PM
To: 'Epstein, Alan'
Subject: RE: Iviewit.com Business Plan

sorry to be slow in etting back -- unfortunately I was and will be travelling. In any event my partner Michael Song will try to call you on this

tom

-----Original Message-----
From: Epstein, Alan [mailto:AEpstein@AHJTW.com]
Sent: Tuesday, August 01, 2000 2:41 PM
To: Tom Unterman (E-mail)
Subject: Iviewit.com Business Plan

T2: iviewit / Sears B

Dear Tom:

Attached is an introductory letter from me regarding our client, iveiwit.com, which transmits a Business Plan. This is an extremely hot company which is drawing lots of attention. It has several patent pending internet enabling technologies which are very scalable and present significant barriers to entry.

FYI, the Business Plan is a Microsoft Word (97) document. The password is "bizplan" (no quotes). When prompted for a second password, click the "read only" tab. The financials are located at the end of the Word document and are in Excel format. If you have any problems or would like a hard copy sent please call me. The principals of iviewit will be in Los Angeles next Tuesday (and possibly Wednesday), and would be available for a meeting with you then, if you are interested. I look forward to discussing this with you further.

Regards,

Alan J. Epstein

Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C.
1888 Century Park East, 18th Floor
Los Angeles, California 90067
e: aepstein@ahjtw.com
t: 310/553-0305
f: 310/203-2518

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<<UNTERMN.DOC>>

>
>
> <<Iviewit Business Plan 20000725 - Master.doc>>

Epstein, Alan

From: Jennifer A. Kluge [jen@iviewit.com]
Sent: Monday, May 22, 2000 2:09 PM
To: aepstein@ahjtw.com
Subject: Iviewit Summary Letter

Alan,

Excellent letter - Let go as written.

Brian

to: Iviewit/
Swiss B

ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER, P.C.
1888 Century Park East
18th Floor
Los Angeles, CA 90067
tel. 310/553-0305
fax. 310/553-5036

August 1, 2000

Via Email

Mr. Tom Unterman
TMCT Ventures
2425 Olympic Boulevard
Suite 6050W
Santa Monica, CA 90404

Re: Iviewit.com

Dear Tom:

I very much enjoyed catching up with you several weeks ago. Following up on our discussions, enclosed is a copy of the Business Plan for our client, iviewit.com.

Iviewit has developed two proprietary and complimentary technologies to enhance video and images delivered on the internet. The first is a state-of-the-art technology which enables full-screen, full-frame rate (i.e., 30 frames per second) streaming video to be viewed by any internet video player at bandwidths as low as 150 kbps, with increased quality and reduced file size. The second digital imaging technology creates an opportunity for full screen still images and 360° panoramic views that can be magnified with minimal image distortion.

Iviewit has protected its technologies by filing and securing eight patent pending applications, and is currently buffering and expanding those patents through a significant supplemental filing. Iviewit is represented by several of the most prominent patent law firms and attorneys in the world. Bill Dick, who is the most senior member of the intellectual property department of Foley & Lardner in Milwaukee, Wisconsin, was formerly in charge of IBM's patent and licensing operations in the Far East and in other territories. Mr. Dick and his patent team of attorneys are preparing all of iviewit's supplemental patent filings and are drafting all of iviewit's license agreements. Iviewit's potential patent litigation (if any) will be handled by Ken Rubenstein, who is the head of intellectual property litigation group at the law firm of Proskauer Rose in New York City. Mr. Rubenstein is in charge of all patent litigation on behalf of the MPEG patent pool, in addition to a number of other high-profile technology litigation matters.

Iviewit has licensed its technology and providing services to a number of substantial clients, such as Hollywood.com, Broadway.com, Hyatt Hotels and Resorts, and Great Expectations Dating Service. Iviewit also is in final negotiations to license its technology to Playboy.com, MedicalOnline.com (x-rays, MRI's CT-scans, etc.) AmericanEnterprise.com (multi-hour surgical and educational videos), GregManningAuctions.com (one of the largest auction houses) and many other clients in the entertainment, health care, automotive and other industries.

Iviewit initially raised \$500,000 of seed capital from Wayne Huizenga's venture group (at a \$10 million post-money value). Within the last few months, Iviewit raised \$1.8 million in a Series A round at a \$25 million post-money valuation (\$800k of which is in the form of a convertible note) from an investment group led by several individuals who previously ran Merrill Lynch's venture division. Iviewit is currently negotiating with an investment group for an additional \$3 million in the Series A round, with a Series B round (\$20 million) to follow later this year. The proceeds will be used to provide working capital (including the leasing/purchase of equipment and facilities) which will enable iviewit to fulfill its substantial backlog of orders and to expand its licensing operations. Iviewit is currently in discussions with several of the nation's leading investment banks to lead the Series B fundraising efforts.

If TMCT Ventures is interested in learning more about the company, please let me know. The principals of iviewit will be in Los Angeles next Tuesday, and are available for an in person meeting then. Although you can see some of the company's technology and applications on the website (www.iviewit.com), the highest-quality work is not available for public viewing and is best seen through a private demonstration.

I look forward to hearing from you.

Best regards.

Very truly yours,

Alan J. Epstein

Quinn, Roxane

From: Epstein, Alan
Sent: Monday, December 06, 1999 6:14 PM
To: Quinn, Roxane
Subject: FW: Doc Letter

oops

-----Original Message-----

From: Epstein, Alan
Sent: Monday, December 06, 1999 6:13 PM
To: 'Utley, Brian'; 'Bernstein, Eliot (Bellsouth)'; 'Bernstein, Eliot (netline)'
Cc: Mulrooney, Michele; Hayum, George; Jackoway, James
Subject: Doc Letter

Attached is a redraft of the Doc McGhee letter, red-lined to show the changes made. Feel free to make any changes you think are appropriate.

Regards,

Alan J. Epstein
aepstein@ahjtw.com
tel. 310/553-0305
fax. 310/553-5036



DOCMCG-1.DOC

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Doc McGhee

President

McGhee Entertainment

8730 Sunset Boulevard

Suite 175

Los Angeles, Ca 90069

Dear Doc:

Following up on our prior discussions, we are very excited about the possibility of entering into a business relationship with your company. Your expertise, reputation and relationships in the music industry are of critical importance to us. We believe that your involvement, combined with iviewit's unique technology, make a powerful combination.

You have asked us to send you a proposal regarding the structure of our relationship. We have spent a great deal of time analyzing the business opportunities which arise through a combination of entertainment content and iviewit's innovative video and imaging technology. We envision establishing separate companies in the area of music, film and television and sports, each of which will be owned by iviewit.com, LLC and the investors and employees working in each area.

You are a key component to launching the iviewit music company. We would like to discuss your ownership of and role in the music company in depth. Set forth below are some of our preliminary thoughts in this regard:

1. You would receive a 10% equity ownership position in the iviewit music company. You would own actual shares, as opposed to an option to acquire shares. (This is beneficial to you for tax reasons, as you should be entitled to pay tax on any appreciation at the reduced capital gain tax rates.) Your shares would vest over a period of time based on performance and other factors we mutually determine are appropriate. Your equity position would not be diluted by the other equity and option grants referenced below, although any additional grants of equity would dilute you and all other investors pro rata.
2. We would establish a 15% equity option pool in the iviewit music company for artists and their professional advisors. We will use this option pool sparingly, and only if needed to attract top-level artists to license content to the company.

3. We would establish an additional equity option pool (most likely 5-10%) for top-level professional advisors (e.g., law firms, managers and possibly talent agents) who are working on behalf of the music company.
4. We would establish an employee equity option pool (probably 15-20%) for employees of the music company.
5. Your ongoing role with the music company needs to be discussed. We need to understand the type and extent of services you are willing to provide. We will put together an appropriate and customary package that compensates you for the nature of the services rendered (taking into account, among other things, the equity grant) and gives you the appropriate title, responsibility, authority and controls. At a minimum, you would be offered a seat on the Board of Directors of the music company.
6. You would be given the opportunity to invest \$250,000 in iviewit.com, LLC (the "parent" company) at \$16.75 per share. We believe that this is a very favorable buy-in price, as the next round of funding is currently being negotiated at \$41.87 per share.

These are just a few of the many important issues we need to discuss. Ultimately, the resolution of many of these issues will turn on the increase in company value created by our relationship. That will become more clear as we discuss your ongoing role and involvement.

We look forward to discussing this exciting opportunity with you in further detail. Please call me after you have had a chance to review this letter.

~~iviewit.com LLC is pleased to make the following offer based upon the establishment of a music-based web entertainment subsidiary and your role in the development of that company:~~

~~15000 shares in iviewit.com LLC at \$16.75 per share. This transaction must be completed prior to the next funding round currently being negotiated at \$41.87 per share.~~

~~10% interest in the newly established music based web entertainment subsidiary subject to a vesting schedule to be discussed.~~

~~Board membership on the newly established subsidiary.~~

~~Additional share allocations will be made providing a pool for artists and related professional advisors.~~

~~Specifics of your active role including responsibilities, title and performance to be~~

| negotiated.

| I believe that you can be very instrumental in the development and success of this pioneering evolution of web-based entertainment technology. We are enthusiastic about the opportunity to work with you on this venture.

Best regards,

AUTOTEXTLIST
Brian G. Utley
President and Chief Operating Officer

ARMSTRONG HIRSH JACOWAY TYERMA & WERTHEIMER

CLIENT/MATTER MEMORANDUM

FOR NEW CLIENTS ONLY, MARK APPROPRIATE BOX

Form Must be Typewritten

<input type="checkbox"/> P PERCENTAGE	<input type="checkbox"/> H NON-PERCENTAGE
TYPE OF CLIENT	TYPE OF LAW
A ACTOR	1 FEATURE
B BUSINESS GENERAL	2 TV
D DIRECTOR	3 TAX
E EXECUTIVE	4 REAL ESTATE
L PLAYWRITER	7 CORPORATE
M MUSICIAN	100 ENTERTAINMENT
O OTHER INDIVIDUAL	200 BUSINESS
PR PRODUCER	300 ESTATE PLANNING
W SCREENWRITER	

CLIENT INFORMATION

NEW TO BE ASSIGNED EXISTING 3744 CLIENT #

CLIENT NAME Tviewit.com WORK PHONE _____
LAST NAME FIRST NAME

BILLING ADDRESS ATTN: _____

CITY STATE ZIP CODE

BUS. MGR./ACCOUNTANT _____ AGENT _____
 ORIGINATING ATTORNEY ASE ATTORNEY # _____

MATTER INFORMATION

MATTER NAME Investors MATTER # 0009
TO BE ASSIGNED

BILLING ATTORNEY _____ ATTORNEY # _____
 ADDITIONAL ATTORNEYS ↓ ATTORNEY #'s _____

FOLDER INFORMATION

FILE TITLE Series B FOLDER # _____
TO BE ASSIGNED

SUB FILE TITLES 2.3

RETURN FILE LABELS TO: Roxane ASE FILE LOCATION 133

CHECK FOR CONFLICTS YES NO

CHANGES/CLOSING INFORMATION

CHANGES: CLIENT NAME MATTER OTHER

CLOSING: CLIENT MATTER

CLIENT NAME _____ CLIENT NO. _____

MATTER NAME _____ MATTER NO. _____

OTHER _____

SEND FILES TO: CLIENT ATTORNEY STORAGE

IF SENT TO STORAGE, WHAT IS RETENTION PERIOD? _____

MEMO PREPARED BY Emmanuel DATE 8/18/00
PLEASE TYPE

APPROVED BY ASE
BILLING ATTORNEY SIGNATURE



AJE Cant.
7/20/00

The sights and sounds of the Internet

Strategic Business Plan

Contact Information:

Brian G. Utley, President

iviewit

One Boca Place

2255 Glades Road, Suite 337W

Boca Raton, Florida 33431

561-999-8899

brian@iviewit.com

COPY #: – Electronic Distribution

DATE:

ISSUED TO:

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and its affiliates
(collectively)

Confidentiality Statement

This business plan and the exhibits hereto (collectively, the "Plan") have been submitted on a confidential basis for use by a limited number of sophisticated investors or acquirers (the "Investor(s)") solely for, and should be used only in connection with, an Investor's consideration of an investment in **iviewit, Inc.** (the "Company"). Its use for any other purpose is not authorized. Any reproduction or distribution of the Plan, or re-transmittal of its contents, in whole or in part, without the prior written consent of the Company is prohibited.

This Plan contains certain information of a highly confidential nature, including projections by the Company's management of the Company's performance and other material of a forward-looking nature. The receipt of this Plan constitutes an agreement on the part of the recipient hereof to maintain the confidentiality of the information contained herein or any additional information subsequently delivered in connection herewith. Investors who accept this Plan or become aware of the information contained herein must understand and comply with the extensive restrictions imposed by Federal and State securities laws upon their ability to disclose information contained herein to others or to participate in or otherwise effect or facilitate any transaction relating to any securities of the Company. Investors who cannot comply fully with such restrictions should not review the information contained herein and should immediately return this Plan to the Company.

Executive Summary

Introduction

iviewit.com (herein after "iviewit" or "The Company") is a developer and provider of several breakthrough proprietary platform audio and visual technologies, supporting the infrastructure of the Internet. The Company has developed and launched three breakthrough technologies – video/audio streaming and image enhancement -- that enable (1) full-screen, full-motion video including CD quality audio; (2) full screen high definition pictures that have "scan, pan and zoom" capabilities with a zoom technology never before seen; and (3) high fidelity audio streams at low bandwidths. These technologies allow, for the first time, a rich and full Internet experience and virtual environment any time a b2c (Business to Consumer) or b2b (Business to Business) Internet application can be enhanced by or requires a video, audio or photographic presentation. By virtue of its technical backbone technologies, iviewit is leading the advancement of multi-media applications for websites both in streaming video/audio and imaging following the first demonstration of its proprietary technologies in 1998. Since that time, iviewit has refined its several (Patent Pending) processes to transform these technologies into consistently deliverable and commercially accepted Internet solutions.

Company

Founded in 1999, iviewit has ~~achieved its first~~ \$3 million ~~in funding~~ which has enabled it to develop, test and commercially launch its visual Internet infrastructure technologies. Initial, key management is in place, and the Company has successfully passed through its technical validation phase to ensure that its technology is fully reproducible and reliable. iviewit then identified several market sectors to emphasize, and it has targeted key early stage customers in order to gain recognition and commercial acceptance. The company has formed strong strategic alliances and partners in both the Internet and Multimedia spaces.

iviewit is engaged in the application of these exciting and new visual and audio technologies for the use by content providers of all types and consumers to make their experience over the Internet dynamic and real. iviewit's business model is to:

- license its proprietary video/audio streaming and imaging technologies for the processing, encoding, managing and specialized web-hosting of source material and content where multi-media Internet distribution is required
- develop image and branding for its technology backbone capabilities
- identify and develop expanded vertical sector marketing and new applications

, after completing its development and testing phase,

- expand its scalable processing capabilities on a production-controlled basis
- create a service bureau to compliment the licensing model and provide customers with image and video processing, hosting and serving services
- launch broad-based promotion and marketing campaigns through advertising, trade shows and key customer references
- confirm **iviewit** as the industry Gold Standard in supplying leading edge, multi-media visual and audio streaming and imaging infrastructure and tools for the Internet

Earlier this year

secured a number of

~~Early in 2000, the Company commercialized, and, as of May 2000, it already has cultivated its first customers such as Hyatt Hotels, Hollywood.com, Broadway.com, Gear Magazine and Ellen DeGeneres. The combined, annualized revenue of these initial customers is estimated to reach approximately \$4.0 million once they are implemented and ramped to present customer expectations. As iviewit secures its next round of funding, the Company will aggressively accelerate the implementation of its product licensing and service plan.~~

\$4.0M/year
seems way
low. Leave
out here.

, among many others.

Proprietary Technologies

iviewit has developed three complementary technologies to enhance videos, audio and images delivered over the Internet:

1. State-of-the-art, proprietary technologies, enabling full motion/full screen/full frame rate, high quality, distortion-free streaming video and audio to be viewed by any internet video player at amazingly low bandwidths, with extraordinary quality and reduced file sizes. Broadband and modem users can see streaming video with virtually no download time required.
2. State-of-the-art, proprietary technologies, enabling CD quality audio that can be listened to using any internet video player at amazingly low bandwidths, with extraordinary high fidelity sound quality and reduced file sizes.
3. A digital imaging technology creating the opportunity for full screen still images and panoramas that can be zoomed and manipulated, distortion-free, in a virtual environment with almost unlimited magnification.

Changing the Internet Landscape with iviewit Technologies

Video and Audio Streaming

Until now, the delivery of video content over the Internet was substantially text-based, and attempts to transmit video content over the Internet have been marred by long downloads, small image size, reduced frame rates and poor quality. Reducing the bandwidth time it takes to transmit files usually has meant delivering a picture that appears herky-jerky and out of sync with the sound. Providing video that is comparable with television (full motion/full screen/full frame rates), on the other hand, typically has been impossible because of the large file sizes resulting in the need for over 2 T1 lines of bandwidth to watch a single video. Trying to squeeze television-quality video files into sizes that can be transmitted on the Internet proved elusive accompanied by severe limitations, such as the requirement for costly and often unavailable bandwidth. State of the art video even for high bandwidth users (ISDN, DSL, Cable, T1 and Fiber) remained framey and out of sync.

As recently as December 1999, a leading Internet news publication, The Industry Standard indicated that the Internet speed required for Television-like quality video would not be possible until the 700+ Kbps range was reached and that “nowhere in the tech world have there been more unfulfilled promises than in the realm of next-generation television.” **iviewit's** video technologies have bridged the gap by enabling distortion-free, TV quality video frame rates with CD quality audio in the 150+ Kbps range, considered optimal for delivering broadcasts over the Internet. **iviewit's** video technologies also greatly enhance the modem users experience, providing a far richer video than previously thought possible.

Meanwhile, there is enormous content that has been created for television that is ready for conversion to an Internet application, and the proliferation of new bandwidth capacity via DSL, cable and satellite is finally providing an environment whereby **iviewit's** breakthrough technologies can easily be adopted and utilized. **iviewit** believes that there is virtually unlimited growth opportunity for its proprietary visual Internet backbone technologies. As a matter of fact, Bill Gates recently stated that “streaming media is the fastest moving part of the whole digital world.”

Imaging

iviewit's imaging process allows computer users to drive into single or panoramic images in a brand new “pan, scan & zoom” environment seamlessly magnifying on any portion of the image at zoom levels never before imagined (20:1+). This breakthrough technology will have far reaching impact as it applies to any photograph that the user wants to enhance. Applications for **iviewit's** technologies are endless.

Benefits of iviewit Technologies

The principal benefits of **iviewit's** enabling Internet infrastructure technologies follow:

- the technologies significantly enhance the image quality of any video content streamed over the Internet regardless of which media and sound player is utilized

- the technologies allow high quality video streaming in the 150+Kbps ranges, providing better product and price performance for the product delivered and a tremendously improved result at the 28-150Kbps ranges
- the image technologies enhance the ability to view photographic images on the Internet by providing incredible “scan, pan & zoom” enriching the end user experience
- improved audio stream capabilities at both high and low bandwidths

Management

mentioned in next IP

iviewit has established a strong, experienced key management team, supported by a Board of Directors and ~~Advisory Board~~ representing broad management and industry experience, including developing technologies, dealing with patent and business legal issues, financing start-up companies and preparing companies for IPOs. Searches are currently under way to complete the executive management team by the addition of a CEO, a CFO and a Sr. V.P. Marketing and Sales.

iviewit also has an Advisory Board, Legal Counsel and Business Consultants who bring an extensive knowledge base, business connections and experience to the development of **iviewit**.

Market Penetration Strategy & Launch

iviewit has secured initial contract agreements with Hyatt Hotel & Resorts, Hollywood.com, Broadway.com, @merican enterprise.com, JM Lexus, Gear Magazine (Guccione Media), Great Expectations Dating Service and Kids Camps. In addition, **iviewit** is currently negotiating with major corporations such as Time Warner, Universal Studios, MGM, MTV, 3Com, Playboy, and CBS Sportsline.com. The response to the technologies and licensing cost has been positive. While **iviewit's** enabling technologies are applicable across a wide spectrum of Business to Business (b2b) and Business to Consumer (b2c) Internet sites, **iviewit** will concentrate its early initiatives in the following areas: Advertising, Entertainment, Health Care, Hotel and Resorts, Luxury Items, Executive Search, Sports, Modeling, and Dating Services.

really? What about trademarks? Conventions?

iviewit plans to highlight its video streaming enabling technologies with high profile websites and events. Currently the Company has established a relationship with Ellen DeGeneres, Tidal 4, Z.Com, Hollywood.com and Broadway.com. These accounts currently provide significant branding of the iviewit process with watermarking, logos and personal testimonials.

Intellectual Property

iviewit has protected its enabling technologies by filing five patent pending applications in both the United States and abroad for its video streaming and imaging capabilities, covering a wide array of enabling technologies. The Company also has an additional five remaining Provisional Patent Pending applications that will be converted to patent pending status within the allowable period.

These technologies carry broad claims, where patent searching on several key components has revealed no apparent prior art or conflicting technologies. This gives **iviewit** not only strategic advantage and potential exclusivity in this space, but also the opportunity to license its proprietary technologies on a current and ongoing basis.

iviewit has adopted a two-pronged approach to building an extensive patent portfolio: (1) **iviewit** plans to continue aggressively developing and seeking patent protection for its own proprietary technologies; and (2) **iviewit** will further seek to improve upon existing technologies as these technologies come to the market.

iviewit believes that the processes underlying these inventions are unique and novel, and it has retained Foley & Lardner, one of the most reputable patent law firms in the United States to shepherd its patent development and procurement. In addition, **iviewit** has retained Kenneth Rubenstein of Proskauer Rose LLP to oversee its entire patent portfolio; Mr. Rubenstein is the head of the MPEG-2 patent pool.

Financial Summary and Investment Opportunity
of equity capital

iviewit has raised ~~an initial~~ \$3 million to date, including venture funding received in September 1999 from Huizenga Holdings, Inc./Investech Holdings LLC. Huizenga Holdings is controlled by **H** Wayne Huizenga, a successful industrialist best known for starting Waste Management, Blockbuster Video, Auto Nation, Boca Resorts and the owner of major sports teams such as the Miami Dolphins football team, the Florida Marlins baseball team and the Florida Panthers hockey team.

Second round funding has been received from Crossbow Ventures/Alpine, a significant private investment fund, located in Palm Beach and Geneva. Crossbow's management includes the prior senior infrastructure of Merrill Lynch Ventures. CrossBow's industry focus corresponds to the tremendous growth that Internet-related companies are experiencing. Their well-balanced portfolio includes companies in technology, telecommunications, healthcare and environmental services sectors.

iviewit is presently seeking two investment tranches. The first and most imminent will be a \$2.0 million equity bridge, to be completed shortly leading to a significant capital raise of up to \$20 million to be achieved by the third calendar quarter of 2000.

Potential exit strategies for **iviewit** investors may include any one, or a combination, of the following opportunities: IPO, partner with a major company or acquisition.

Strategic Business Plan

Company

iviewit, Inc. located in Boca Raton, Florida, was formed in July of 1999 under the laws of the state of Delaware. **iviewit** was formed to research, develop, license and sell its enabling proprietary Internet based visualization products and services to the e-commerce market through its wholly owned operating subsidiary **iviewit.com, LLC**. In December of 1999 the Board of Directors authorized the conversion of **iviewit, Inc.** and **iviewit.com, LLC** into "C" corporations. Under the new corporate status they became **iviewit Holdings, Inc.** and **iviewit.com, Inc.** respectively and continue to be Delaware corporations.

Clarify which companies are doing what.

Over the past year, **iviewit** has confirmed the efficacy and reliability of its technologies for commercial exploitation, initiated digital imaging production, established a demonstration web site, developed initial key management infrastructure and hired an initial sales staff. The Company publicly launched its platform technologies early in 2000, and, as of May 2000, has initial high profile customers that have confirmed the commercial value of **iviewit's** technologies. **iviewit** is presently seeking additional financing to support further commercialization and realize the full potential of its products and technologies.

Product Applications

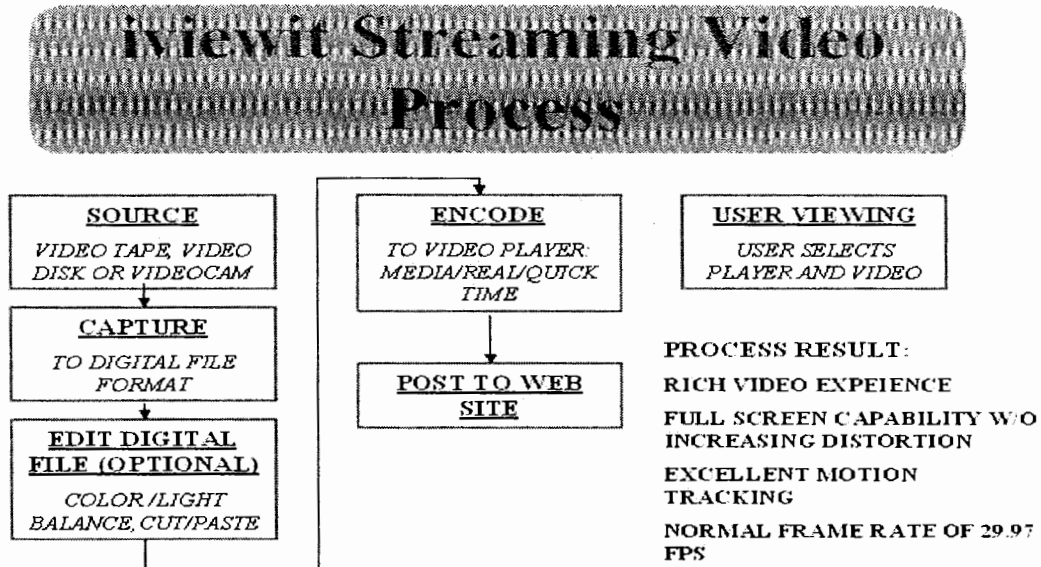
and work with

, means that

iviewit's impressive visual media products are the result of several years of development focused on the entire process of image/video delivery over the Internet. Care has been taken to be platform agnostic to preserve the broadest possible range of applications and retain the highest viewing audience. **iviewit's** suite of video and imaging technology processes work across all industry platforms, therefore, **iviewit's** video process will enhance Microsoft's Media Player, Apple Quicktime and Real Networks players. **The result is industry leadership products without requiring special downloads or equipment.** A recent survey indicated that over 90% of site visitors simply "move on" when required to download special software to view pages content. **iviewit** processes are proprietary and protected as Trade Secrets and Patent Pending applications filed with the U.S. and International patent offices. While video streaming and imaging are treated separately, it should be noted that they are complementary both from a process point of view and from a customer perspective. Many potential markets have both requirements such as the entertainment industry, resort and hotel industry and the health care industry. **iviewit** views the combination of these products as a suite to be an integral part of its sales portfolio.

which do not require

Video Streaming Products



6/13/2000

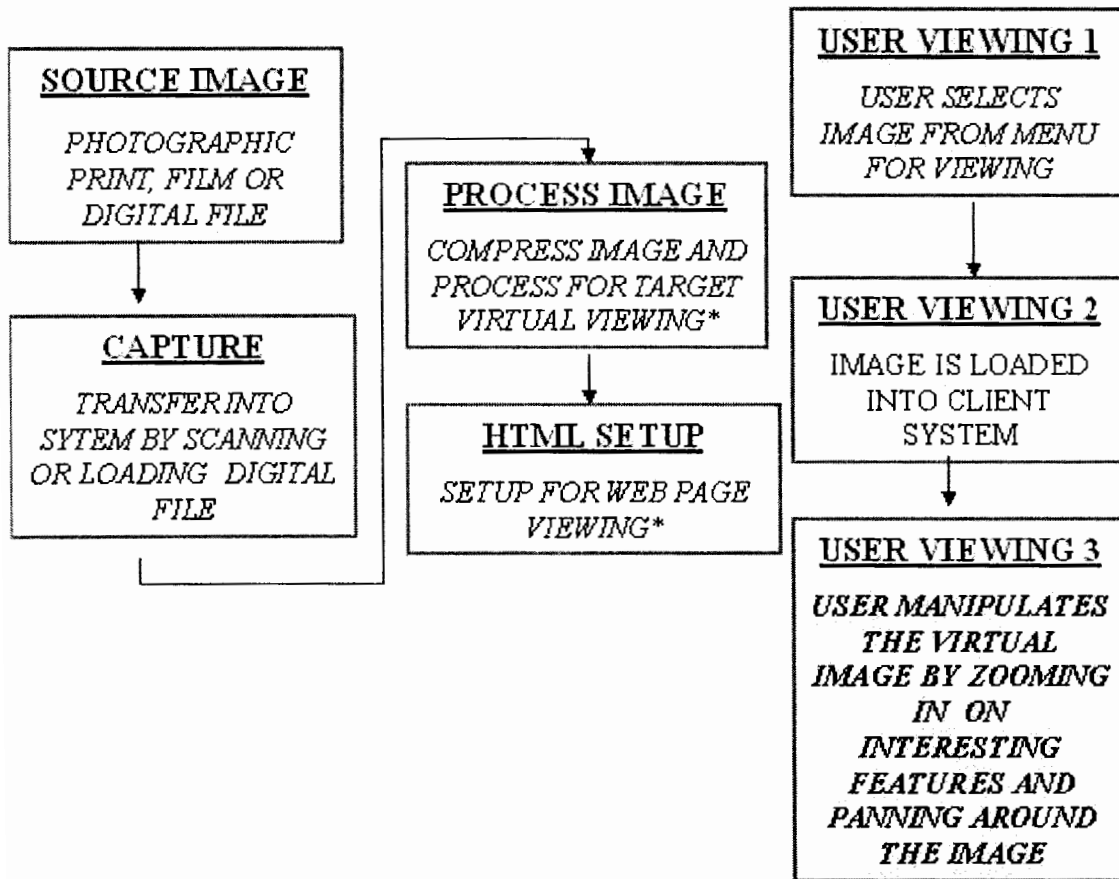
IVIEWIT CONFIDENTIAL

Streaming video is the most exciting form of content distribution over the Internet and has challenged the industry since its inception several years ago. Current processing techniques do not provide solutions for clear, full TV frame rate, full motion, full screen streaming video at 150+ Kbps. **iviewit** has developed encoding solutions that do provide for full motion, full frame rate, full screen streaming video at speeds ranging from 56-150+ Kbps. These competitive advantages are at the core of **iviewit's** market opportunity.

Capturing high action and motion in Internet video has been a particular challenge because the image refresh process tends to produce highly distorted pictures. **iviewit** has succeeded in producing near TV quality video over broadband networks and has significantly improved modem results. These results are obtained while minimizing the bandwidth and file sizes required for streaming the video event, a significant economic consideration.

Internet ready streaming digital files are produced from virtually any source creating NTSC (US) compatible or IEEE 1394 firewire interfaces. Other modality such as PAL or SECAM can be accommodated. The output digital files are Microsoft Media Player, Apple Quicktime or RealNetworks RealPlayer compatible. Multiple files are produced for both modem and broadband use. **iviewit's** processing times range from an astonishingly low 3 to 6 times the playtime of the video. The proprietary process is extendable to include video acquisition; even though this phase is not a pre-requisite, improvement in final video quality is attainable by using **iviewit's** total video process.

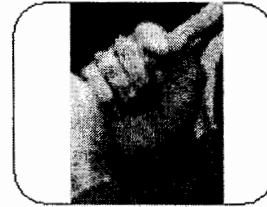
iviewit Virtual Imaging Process



Iviewit's process captures the detail of the original image and preserves it through the entire process to delivery, over the internet, to the end user. The challenge is to preserve the image quality during compression (up to 100:1) while preserving all the detail for zooming (magnification) without distortion.

* IVIEWIT PROPRIETARY PROCESS

iviewit Virtual Imaging Process



Above left is an example of an original picture. The center image portrays the view on a PC monitor on the internet receiving the picture. Above right the user has zoomed in on the hand position of the batter. The picture has not lost any clarity because of the zooming. To the right the user has panned across the picture to view the batter's head without having to re-trace steps back to the full image.



The process to provide perfect clarity while maintaining the ability to zoom and pan is the heart of iviewit's image patent applications.

7/3/2000

IVIEWIT CONFIDENTIAL

iviewit offers a wide range of "over the web" high quality, full screen imaging technologies. Images processed by **iviewit** can be viewed with extraordinary zoom and within panoramic environments of up to 360 degrees. Images produced by **iviewit's** proprietary process are identical in quality regardless of the end-user's Internet connection speed. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. Output file sizes typically range from 30KB to 400KB for a full 360-degree panorama. . Source material may be conventional emulsion type film or digital and the process requires no special costly camera equipment compared to similar web imaging. Special photographic techniques are employed to ensure the final quality of the process. Unlike conventional web-ready images that become severely distorted after magnification attempts of just 1-2 times, **iviewit** processed images are especially resistant to pixel distortion even when zooming in to obtain screen magnification levels of 20:1+. **Real 3D®, Inc.** engineering teams have reviewed the imaging process and results, and the comment from their review was "superb", "cool" and "elegant".

These are the types of digital images that **iviewit** can create with its "scan, pan and zoom" technologies:

- **Single shot** - A single photo frame. Used for simple flat scenes or objects with depth imaging

- **Single shot “Pan, Scan and Zoom”** – A single photo frame with the ability to zoom into the picture for magnifications of up to 20X
- **Quarter “Scan, Pan and Zoom”** - Typically 3 photo frames stitched together to provide a wide perspective and up to a 90 degree camera sweep angle
- **Half “Scan, Pan and Zoom”** - Typically 6 photo frames stitched together to provide up to a 180-degree panoramic camera sweep angle
- **Three quarter “Scan, Pan and Zoom”** - Typically 10 photo frames stitched together to provide up to a 270-degree panoramic camera sweep angle
- **Full “Scan, Pan and Zoom”** - Typically 13 - 16 photo frames stitched together to provide up to a 360-degree panoramic camera sweep angle

Revenue Strategies for Video and Imaging Products (Licensing and/or Service Models)

iviewit intends to create a profitable, recurring revenue base by licensing its platform technologies or performing the following services for customers:

- ***Technology Licensing to Parallel Markets***
- ***Site Licensing for the Distribution of Product Processed by iviewit*** - Each site distributing **iviewit** visual media product must license the technologies. The licensing fee will be collected up front as an annual fee and there may be additional royalties due within each annual licensing period for expanded use of the product.
- ***Image and Video Processing*** - There is an option between basic processing and edited content processing for a higher quality output. Priority and standard time processing is provided. Priority processing guarantees a next day delivery via file transfer protocol to the customer or posted to the **iviewit** website. Standard delivery is within 5 working days.
- ***Web Hosting of Image and Video Content, Linked to a Client’s Site*** - This service will be for content owners who do not have the server capacity to store or stream their content and will not be applicable to all clients. This is an extension of the current web site. Seamless linking is a well-established Internet technique and has been validated by **iviewit** testing with prospective customers. Since this is not a core part of its business model, **iviewit** is investigating the option of hosting services through strategic alliances.
- ***Photographic or Video Recording Services*** - **iviewit** has a national arrangement retaining the services of a large number of professional photographers and video producers in order to handle customer requirements.
- ***Web Site Creation and Hosting*** - Professional designer support is available through **iviewit’s** subcontract with **Real 3D®, Inc.** and other web site specialists.

Future Product Developments

iviewit’s goal is to maintain a leadership role in visual technologies and continued research and development will be deployed to this end. **iviewit’s** product output will stress user friendliness, superior picture quality and effective presentation for the

experience by the end user. New markets will include hardware and software applications that will embrace these platform technologies.

Extensions of the current technologies are planned to provide similar improvements in videoconferencing. Early testing has validated the feasibility of these extensions and funding will provide the resource necessary to complete the development work. It is estimated that products could be ready to market within 6–9 months from funding. Also, a TV interface adapter, which allows a PC monitor output to be connected to a TV set, is currently available. Using a TV this way further enhances the quality of the video since a TV set is optimized for displaying video images. This has paved the way for a new era in Pay-Per-View distribution across the Internet.

Industry Analysis

Broadband Industry

The transmission of data intensive content over the Internet has been limited due to both technological and bandwidth constraints. However, the increasing availability of improved delivery systems, such as digital cable modems, T-1 lines, satellite delivery

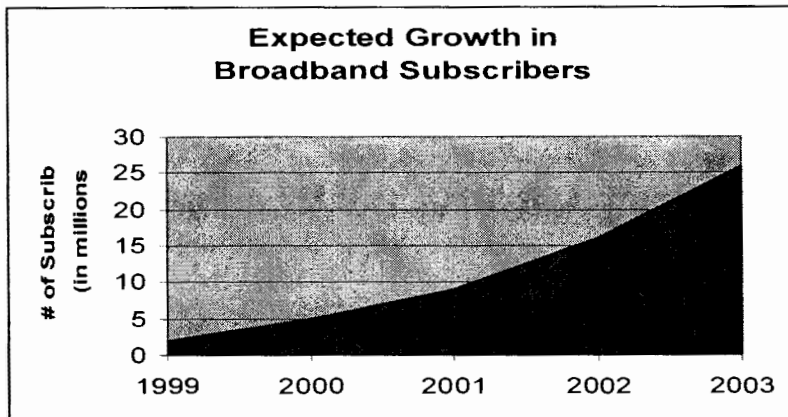


Chart 1.0 – Forrester Research and Broadband Intelligence

systems and DSL networks are enabling the use of more feature-rich multimedia content. Even at these higher bandwidth speeds video quality remained poor until **iviewit** developed processes that allowed users at these speeds TV quality video streaming. These broadband systems typically allow sustained data transfer to the user of at least 256 kilobits per second, or approximately 5 times the access speed of the fastest standard narrowband modems.

US cable modem subscribers are expected to increase to 3.3 million in 2000 (up from 1.6 million in 1999). DSL customers (serviced by phone companies) will nearly triple to 1.4 million in 2000 from 500,000 in 1999.¹ And the total number of broadband subscribers by the end of Year 2002 and 2003 is expected to be 16 million and 26 million, respectively.²

¹ Broadband Intelligence July 1999

² Forrester Research

The broadband industry is drawing billions of dollars in capital investments to develop the necessary infrastructure for broadband content and delivery. The cable companies are massively marketing this existing user base to include broadband access. Similarly, the telephone companies are upgrading their lines to offer DSL access. In addition, major hardware manufacturing companies, application developers and content providers are racing to be the de facto standard for broadband delivery.

Streaming Media Industry

Multimedia streaming technology is bringing new levels of versatility, quality and simplicity to the creation and distribution of multimedia content over the Web. One measure of the growth in use of streaming media is the number of registered users posted by RealNetworks, a company that develops software used by broadcasters to stream multimedia content over the Internet. The first RealPlayer was released in 1995, and to date, over 80 million unique users have been registered. The RealPlayer download rate now exceeds 175,000 per day, an increase of more than 270% since the beginning of 1997.

The emergence of rich multimedia capabilities, such as streaming audio and video, will continue to enhance the effectiveness of the Web as a mass communications medium and Intranets as a means to improve corporate communications. Content delivered through traditional media, such as television and radio, will increasingly be augmented by delivery over the Internet.

Digital Imaging Industry

Companies are rapidly adopting the use of digital imaging to effectively promote their products on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites; however, most of the images remain flat two-dimensional images offering a limited field of view. Technological innovations that enhance realism and interactivity and contribute to a viewer's retention to that web site will facilitate the success of e-commerce by leading to increased sales and advertising rates. Specifically, immersive imaging, or the ability to enjoy the viewing perspective of being inside the image, is becoming increasingly popular with many web sites and webmasters. However, image creation with many of the existing immersive technologies is labor intensive, produces poor visual quality and requires proprietary hardware and software. As a result, market acceptance of these technologies has been limited. Until **iviewit's** digital imaging process the users ability to zoom into a picture or virtual reality environment was limited due to pixel distortion.

In order for widespread adoption of immersive imaging by businesses and consumers to occur, new immersive technologies must compete with **iviewit** standards such as:

- Ease of creating and viewing an image
- Ease of distributing and sharing the image

- “Scan, Pan and Zoom” Capabilities
- Cost effectiveness
- Use of standardized technology
- Platform independence

Market Opportunity

Initial Marketing Strategy

iviewit has elected a two-pronged strategy to initially market its technologies. The first stage is to target high profile intellectual property owners and distributors, as clients, to encode their images and videos then watermark those images with **iviewit**'s logo. The second stage will capitalize on the many opportunities to co-brand with world-renowned stars and clients interested in bringing marquee events to the Internet medium. As a prime example, Ellen DeGeneres has produced a three-minute video endorsing **iviewit** as the premiere video streaming company, and Hollywood.com has allowed for video clips of movies to be ~~traced~~ ^{streamed} with an **iviewit** watermark and logo branding. ~~designed to develop~~

The Company has developed a marketing plan and detailed budget to ~~attach~~ ^{develop} key business segments. The elements of that plan include: (i) a national print media campaign targeting corporate decision makers for encoding images for commercial websites; (ii) a national b2b Public Relations campaign designed to build awareness and demand for the **iviewit.com** imaging technologies targeting the streaming media and digital still imaging markets; (iii) a trade show plan specifying the number of shows ^{the company} must attend to promote its imaging technologies and an accompanying plan detailing how the company will effectively present its technologies at those shows; (iv) sales collateral materials to support the sales force; (v) a plan for branding exclusive internet video events to highlight the Company's technologies and turbo-charge its public relations efforts; and (vi) an execution strategy to upgrade **iviewit**'s web site to promote its technologies and support its customers. ^{and conventions}

The company has budgeted several million dollars in marketing expenditures to undertake these marketing activities. **iviewit** has initiated a search for an advertising/new media agency and a public relations agency with demonstrated competence in the b2b technology space to assist the company in developing and implementing the marketing plan. The Company currently retains a leading Publicist in the entertainment industry.

Strategic Alliances

Real 3D®, Inc.

iviewit has established a strategic partnership with **Real 3D®, Inc.**, the premier supplier of 3D graphics technology in the world and holder of more than 40 patents in 3D visualization technology. **Intel has recently acquired Real 3D®, Inc.** **Real 3D®, Inc.** is providing hosting, serving and technology enhancement services to **iviewit**. **Real 3D®, Inc.** has participated in the technology evaluation phase of **iviewit's** proprietary Imaging and Video Streaming products, and they have stated: "**Real 3D®, Inc. has found iviewit's web-based products to offer an extraordinary high-resolution panoramic view capability that can have many uses in the e-commerce arena.**"

Medical OnLine Inc. (Mediol.com)

iviewit has established a strategic relationship with Medical Online (Mediol.com), which is a leading Boston based internet service and data provider offering a unique search engine that provides easy access to clinical and diagnostic data for doctors, hospitals, insurers and patients worldwide. The purpose of this relationship is to facilitate the handling and delivery of healthcare information with high quality imaging and streaming video capabilities. **iviewit's** technology was chosen by Medical Online to provide a more effective and timely delivery of imaging and healthcare information including the possible addition of MRI's, CT scans and other pertinent data for physicians and leading hospitals. This strategic alliance is expected to provide a more effective means of medical diagnostic evaluations for the treatment of patients. Mediol's mission is to give patients, physicians, and hospitals easy access to an extensive online database of clinical diagnostic data compiled from a number of the world's preeminent medical institutions. With the help of the Medical OnLine search engine, users have the luxury of matching current diagnostic images and graphs with similar or identical archival records, complete with clinical information on each case. Using this data, doctors accomplish better clinical evaluations and create more effective treatment therapies regarding a patient's condition while patients acquire the information they need to take control of their healthcare.

DSI, Inc.

Most recently, **iviewit** has signed an agreement with **DSI, Inc.**, a global provider of video and photography services to provide corporate clients turnkey production, and **iviewit** image & video processing for the Internet. **DSI** was formerly "ZipVideo" and has a network of photographers and video professionals covering every zip code in the U.S. and Canada as well as other international countries.

DSI recently contracted with **Dovebid** (one of the largest b2b auction websites) to be the sole provider of video and photography services to **Dovebid's** corporate clients. **DSI** and **iviewit** will co-market services to provide full-service production and processing as well as **iviewit** processing solutions for **Dovebid** clients.

DoveBid, Inc. is a leading business-to-business on-line marketplace for capital assets (currently, 19 industrial categories) featuring Webcast auctions and value-added services. With millions of dollars of business assets available for sale, a regular schedule of

Asain, are these really strategic partners or just customers?

Webcast auctions, and an extensive base of large corporate customers, DoveBid is creating a liquid, global market for capital assets.

DoveBid has conducted over 3,000 *industry-specific* auctions throughout the world selling over 10,000,000 individual lots. Buyers from Santa Clara to Singapore have responded by purchasing over \$5 billion in assets.

Markets for Video Streaming and Digital Imaging

Streaming media is now the most widely used application, after browsers and online programs like AOL, on the Internet... and it is growing exponentially. Microsoft's Media Player, RealNetworks player and Apple's Quick-Time player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, *on demand*.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies mentioned above. **iviewit's** suite of technologies will positively affect and benefit all of these parties.

- **End Consumers for Video and Audio Streaming**– For consumers who have a broadband “pipe” in their homes, streaming video is the “killer application.” The promise of rich visual content defines the reason for paying between \$40 - \$50 per month for the increased bandwidth. It means that consumers can *see* the entertainment, news, product commercials, infomercials and education videos they want - at near TV quality. That promise will be maximized by the proliferation of content delivered through and with **iviewit**. The companies responsible for providing the infrastructure for broadband recognize the importance of promoting enabling technologies and driving media-rich content to the web. Their paradigm has shifted to include content creation as a significant element of their overall strategy. Greater availability of quality content on the web will increase demand for the pipes necessary to view it.
- **Business to Business (b2b) E-Commerce Sites for Video and Audio Streaming** - For b2b e-commerce sites, **iviewit's** technologies will provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product manuals through **iviewit's** proprietary system, business e-commerce sites can leverage their video and image investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality visual experiences. Licensing these b2b sites will be a primary market focus for **iviewit's** technologies.
- **Intellectual Property Owners of Video and Audio Content** - For intellectual property owners, including film studios, record companies, independent film

producers, television networks, sports leagues etc., **iviewit's** technologies means that *video streaming can finally become a revenue source*. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for the small screen, grainy content prevalent on the web today, and the pipeline required for serving these files is expensive. **iviewit's** technologies provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and reducing the digital stream size required to serve them. These solutions are at the core of **iviewit's** competitive market advantage.

- **Digital Imaging** - Companies are increasingly using digital imaging to promote their products and present information on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites. However, most of the images remain flat and two-dimensional offering a limited field of view. The Company's immersive imaging (the ability to create the viewing perspective of being inside the image) is becoming increasingly popular with many web sites across all industries. Image size is tailored to the bandwidth of the receiving system in order to minimize download times and optimize the end-user's experience. **iviewit** processed images are especially resistant to pixel distortion even when zooming in to obtain screen magnification levels of up to 20:1+.

In summary, the market potential for **iviewit's** technologies is enormous. **iviewit** will engage in a high profile launch campaign designed to build awareness for its technologies with all the key market influencers and then concentrate on a licensing program to populate its technologies among b2b and b2c Internet sites.

Market Penetration

iviewit has identified various markets to target with its imaging and video streaming technologies. **iviewit** has already begun to sell its technologies to various corporations and is currently in negotiations with the following potential clients.

CONTRACTED ACCOUNTS	PENDING ACCOUNTS
<ul style="list-style-type: none"> • <u>Hollywood.com</u> • <u>Hyatt Hotels & Resorts</u> • <u>Gear Magazine/Guccione Media</u> • <u>Ellen DeGeneres</u> • <u>J.M. Lexus</u> • <u>Atlas Entertainment/Tidal 4</u> • <u>Boca Resort & Beach Club</u> • <u>Broadway.com</u> • <u>@merican enterprise.com</u> 	<ul style="list-style-type: none"> • Time Warner • 3Com Corporation • Playboy.com • MTVi/Viacom • Alliance Entertainment • Healthon/WebMD • MGM • Greg Manning Auctions/Amazon • Universal Studios

- | | |
|------------------------------------|-----------------------|
| • <u>KidsCamps.com</u> | • Broadbandsports.com |
| • <u>Great Expectations/KISMET</u> | • Healthstream |
| • <u>Medical Online</u> | • CBS Sportsline.com |
| • <u>Z.com</u> | • Versifi |
| • <u>Lovemate</u> | • Zentropy Partners |
| • <u>Sitesnet.com</u> | • Inter@ctivate |
| • <u>Dovebid/DSI</u> | • Ezlinksgolf.com |
| • <u>www.centrack.com</u> | • Machineweb.com |

Video streaming and still image enhancement are nascent markets and there are no benchmarks for pricing **iviewit's** proprietary technology enhancements. **iviewit** realizes that the needs and budget for each customer and indeed across industries vary tremendously. In response to this, **iviewit** will need to specially craft a licensing contract with each customer. **iviewit** has retained top licensing counsel with Foley and Lardner to facilitate this process

5

may

draft and negotiate

Therefore, **iviewit** has based its licensing strategy and product penetration on the following information:

- **iviewit's** contract negotiations with current clients
- **iviewit's** understanding of what companies (cost effectively) are willing to pay for these technologies, including the business economies of a given industry

until such time as industry and iviewit's licensing standards have been developed.

Pricing Model – Video Streaming

iviewit will require an annual license to process a video source into an **iviewit** file to be streamed over the Internet. The licensing fee will depend on the number of distributed servers or images and videos that the customer uses for its web site. The rationale behind this is that the license fee should be greater if the technologies are being used and exploited by a larger number of users. And generally, web sites that have larger number of users require additional distributed servers. **iviewit** has decided to use distributed servers as a usage benchmark (instead of number of hits to the web site streaming the video) because of the ease in benchmarking the fee to clients in this manner.

will

vary

iviewit charges a per minute fee for the processing of the video. Depending on the needs of the client, the processing of the video will vary greatly. For example, an advertising agency focused on optimizing 30 and 60 second spots will have vastly different requirements than a worldwide hotel chain with three to five minute infomercials on each property. Additionally, there are different levels of processing costs associated with the image quality required by the client. For a client that does not require frame by frame analysis of its video (i.e. a video segment on a local community college), the amount of labor to process the video is minimal and the charge is \$5 a minute to process for each platform and speed. Typically, customers request high and low bandwidth across all

three of the major players resulting in a \$30 per minute fee. For clients who require editing for their video, **iviewit** charges incremental fees priced to account for the time and labor involved.

Although not a core part of its business, **iviewit** will offer video hosting for those clients who need a complete video streaming solution. The monthly storage, database maintenance and serving fee is based on the number of gigabytes hosted by **iviewit**. **iviewit** sees this pricing model as part of its overall plan to identify and “brand” itself as a total solution service-oriented business for its clients. **iviewit** may outsource this service with several partners according to the scope and scale of the client requirements.

Pricing Model – Digital Imaging

iviewit will require an annual license fee to process still images to a zoomable and/or panoramic **iviewit** digital image. The licensing fee increases with additional distributed servers used by the customer.

iviewit will offer a turnkey suite of services to its customers that include: capturing, processing and hosting the images. In addition to the per image processing fee, **iviewit** will also charge a monthly fee for the number of images served.

Competitive Analysis

Streaming Media Competition

Three recognized companies processing video for streaming are Loudeye Technologies, Inc., Sonic Foundry, Inc., and Microcast, Inc. All of these companies are in their infancy (even though Loudeye and Sonic Foundry are public) and all typically encode streaming video and/or audio using standard, commercially available technology.

In addition, many businesses have resorted to in-house encoding for a variety of reasons including: lack of available services, little or no advantage to using available services or specialized requirements such as response time, or proprietary content. **iviewit** service and licensing offerings provide solutions to these companies not previously available.

A complete matrix follows demonstrating **iviewit's** competitive advantages over other companies in the streaming media space.

Video Technology Comparison Chart

Company	Links	Streaming Video Customer Processing Business Model	Intellectual Property Broadband Video Content Creation Platform Claims	Streaming Video Intellectual Property Claim Areas
iviewit	<u>iviewit website</u>	Licensing & Service	YES ²	Platform Technologies for full-screen, full frame rate content creation
Loudeye	<u>Hoovers</u> ^a Loudeye Website	Service Only	NO	My Slide Show
Sonic Foundry	<u>Hoovers</u> ^b Sonic Foundry Website	Service Only	NO	Encoding Automation
VideoDome	VideoDome Website	Service Only	NO ¹	Encoding Automation
Microcast	Microcast Website	Advertising Revenue Share	NO	Browser Video Frame

Video Competitor Analysis

^a Loudeye Technologies has a Web-based MediaUpgrade software that converts audio and video content from such varying formats as AVI, VHS, Quicktime, and WAV to a variety of streaming media formats for Web publishing. Its MySlideShow application is used to make streaming online presentations using both images and sound. Loudeye (formerly Encoding.com) also offers encoding, project analysis, application development, and hosting services.

^b Sonic Foundry makes software for creating, manipulating, and storing digital audio and video data. Its ACID suite enables users to arrange and play back looped sound samples using a PC.

¹ VideoDome claims IP for video processing that speeds up the conversion time by automating the digitizing process.

² iviewit ~~claims~~ ^{achieves} Platform IP for broadband and lowband specific video processing that enables full screen, full motion video at 150+kbps.

Digital Imaging Competition

Interactive Pictures Corporation, Ulead Systems, Inc. and MGI Software, Corp. are recognized companies providing imaging for the Internet. The result of **iviewit's**

Intellectual Property (Trade Secrets and Patents Pending) advantage is that no other company in the e-commerce imaging space has the ability to display a single image file with high resolution, distortion free “scan, pan and zoom” functionality without the viewer obtaining and installing special software. With **iviewit’s** imaging process, the e-commerce solution achieves the highest resolution image quality upon zooming, enabling virtually high resolution zooms under extraordinary magnifications. **iviewit** currently has the largest full screen virtual imaging capability of any company in this space. The following table outlines the key distinctions.

Imaging Technology Comparison Chart

Company	Image Screen Size	Single 360° Zoom	Single Still Zoom	Panning Ability	Simultaneous Zoom & Pan	Virtual Image	Pixelation Upon Zoom	Image Distortion
IPIX-original	small	YES	NO	Up, Dn, Lt, Rt	YES	YES	YES	YES, warping, and “fishbowl” effect
IPIX-bamboo	mid size	NO	NO	Lt, Rt	NO	YES	No zoom available	YES
MGI Software	small	NO ¹	NO	Up, Dn, Lt, Rt	NO ¹	YES	NO	NO
Ulead	small	NO	NO	Up, Dn, Lt, Rt	NO	YES	YES	YES, wavy upon panning
Iviewit	Full	YES	YES	Up, Dn, Lt, Rt	YES	YES	NO	NO

Table 2.0 – Imaging Competitor Analysis

¹ MGI single image zoom files require special plug-in downloads. The universal viewer (viewed through standard browsers) Flashpix format only feeds individual straight JPEGs with no pan or zoom functionality.

iviewit’s Competitive Edge

iviewit is not the only company to provide video/audio streaming and immersive imaging solutions although it is important to understand that **iviewit** has proprietary processes that differentiate it from other providers. The development of **iviewit’s** proprietary technologies and techniques have been the focus of the Company’s patent portfolio.

iviewit’s proprietary technologies have been designed to utilize and take advantage of the burgeoning availability and use of broadband (100-700 Kbps spectrum) using existing user browsers and players (e.g., Real Player, Media Player and Quick Time); other known efforts at video/audio streaming and imaging that were developed for these

bandwidths produced results associated with dial-up modem capabilities. **iviewit** technologies have accomplished previously unachieved quality and features in streaming audio and video, with the intent and capability to drive these advantages downward (from the “sweet-spot,” or most efficiently used broadband zone: 150+ Kbps) to the dial-up range. The result is improved quality even at low bandwidths. In comparison, the competition’s attempts to improve the quality of streaming video have resulted in significant limitations and compromises such as; reduced frame rates, small screen display and herky-jerky video with “kung-fu” movie-like audio

Barriers To Entry

iviewit is the first and only company to provide video streaming that delivers a rich video experience with virtually distortion-free, full screen capability at normal, TV- equivalent frame rates of 29.97 fps (frames per second).

Similarly, **iviewit** is the first and only company to provide virtual imaging that preserves and delivers full image quality and detail of the original image - without distortion - not only during compression (up to 100:1), but also through high resolution zoom and magnification.

- These technical breakthroughs, and their commensurate features and benefits, comprise **iviewit**’s Patent portfolio and Trade Secrets, constituting a significant Barrier to Entry to others, while also giving it ***First Mover Advantage*** in the marketplace
- The proprietary technologies inherent in **iviewit**’s portfolio, together with the mathematics required and the algorithms developed to achieve these results, have been translated to provide the underpinnings for the profound intellectual property potential inherent in **iviewit**’s patents pending, also constituting a significant Barrier to Entry
- In accomplishing these technical breakthroughs, **iviewit** has accomplished what engineers previously thought unachievable under current bandwidth limitations. **iviewit**’s two-year development investment gives it significant lead-time in this space providing a significant competitive advantage in development time.
- The early customer validation that **iviewit** has enjoyed (as outlined in the Market Penetration section) will generate and enable additional market momentum, not only establishing **iviewit**’s breakthrough technologies as unique, but also underscoring and confirming it as the Gold Standard for video/audio streaming and imaging over the Internet. This also creates a significant Barrier to Entry.

Financial and Investment Opportunity

of equity capital

Over the past year, \$3 million has been invested in **iviewit**. The early investor is Huizenga Holdings\Investech Holdings LLC. **W**. Wayne Huizenga was the CEO of Waste Management and Blockbuster Video before founding Republic Waste Services and AutoNation. Another recent investor is Crossbow Ventures/Alpine, a significant private investment fund, located in Palm Beach and Geneva.

iviewit is presently seeking two investment tranches. The first and most imminent will be a \$2.0 million equity bridge ("the Bridge"), to be completed imminently leading to a significant \$10-20 million capital raise to be achieved by the third calendar quarter of 2000. The second round is expected to carry a significantly higher valuation than the \$2.0 million Bridge, suggesting a potentially meaningful incremental investment opportunity for the investors in the Bridge.

The funds raised from both investment tranches will be used to recruit additional management infrastructure and support staff, expand market applications of **iviewit's** proprietary visual infrastructure Internet technologies, scale up additional equipment necessary to support additional customers and generally fund the Company until its expected break-even in 20 months. Once break-even occurs, **iviewit** rapidly begins generating strong cash flow and high gross margins. At the end of ~~Year Two~~, **iviewit** is projected to be licensing and supplying its video streaming technologies to over 200 customers and its imaging technologies to over 300 customers. Full projections for the second year post funding, based on a \$10 million raise, call for sales of about \$18.3 million and EBITDA of \$8.3 million. By the end of year two, revenues are expected to achieve a rate of \$38 million per annum and gross margins of 80%.

the second fiscal year,

The principal financial projections included herein are based on a \$10 million investment (Attachment A). However, please see the following pie chart and table which shows the Use of Proceeds for a \$20 million raise.

where?
Attached?

Potential exit strategies for **iviewit** investors may include ~~any one~~, or a combination, of the following opportunities: IPO, partner with a major company or be acquired.

Management Team

Officers

Brian G. Utley, President - Mr. Utley comes to **iviewit** from a very significant career in the computer industry. For over 30 years, he was responsible for the development of and world-wide management of many of IBM's most successful products, such as the AS400 and the PC. Entering IBM's executive ranks in the early 1980's, Mr. Utley's impact was felt in all areas of that Company's advanced technology product development, including

Biomedical Systems, European Operations and, very significantly, IBM's launch of the PC. Following the U.S. introduction of the PC, Mr. Utley moved to Europe where he was responsible for a number of IBM's overseas activities including product development, product management and market development, the most notable of which was managing the launch of the PC across Europe and the Middle East. His career with IBM culminated with his responsibility as Vice President and General Manager of IBM Boca Raton with a work force of over 6,000 professionals. Mr. Utley is well known for his technical expertise as well as for his focus on quality, team building, organizational skills and commitment to results.

Michael A. Reale, Vice President of Operations - Mr. Reale carries extensive operations and executive management experience, which will enable **iviewit** to develop a well organized and efficient production capability. Mr. Reale began his career with IBM where, over twenty years, he advanced through several production process managerial functions, culminating as Director of Manufacturing for their Personal Computer Division. Following his tenure with IBM, Mr. Reale joined SCI Systems, Inc., a Fortune 500 electronics contract manufacturer, as Senior Vice President, where he was responsible for seven operations both in the U.S. and overseas. Following SCI, Mr. Reale spent two years as President of MGV Manufacturing Corp., a premier provider of computer memory assemblies with operations in the U. S. and Europe, where he increased sales by 200%. Most recently, Mr. Reale filled successive executive positions with Boca Research, a publicly owned manufacturer of personal computer enhancement and Internet thin client products, where he progressed to and became COO. The particular value-added skills that Mr. Reale brings to **iviewit** encompass operations experience at all levels of an organization, including P&L responsibility, quality and delivery performance accountability.

Raymond T. Hersh, Chief Financial Officer – Raymond T. Hersh recently has been a private investment banker, specializing in the strategic development of emerging companies. He has over thirty-five years of successful business and operating experience involving financial services, telecommunications, manufacturing and corporate strategic planning. Most recently, he was co-founder and President/CEO of a telecom start-up specializing in providing healthcare information. For over twenty years, he successively grew two Florida-based specialty manufacturing companies from combined revenues of about \$2.7 million to over \$19 million, acting as President/CEO and Executive Vice President/Chief Financial Officer, respectively. Previously, Mr. Hersh spent nine years as an investment banker in New York City where his last position was as President of a member firm of the New York and American Stock Exchanges. Earlier, he spent five years as an Enforcement Attorney with the U. S. Securities and Exchange Commission in New York City where he exited as a Branch Chief. He is a member of the New Jersey and New York Bars.

Eliot I. Bernstein, Founder and Chief Technology Officer - Mr. Bernstein, is a graduate of University of Wisconsin, specializing in computer science and with a B.S. in psychology. Prior to founding **iviewit**, he spent 15 years creating and developing many

innovative, computer- based multi-media marketing tools, which remain in use supporting multi-billion dollar service industries. In 1998, Mr. Bernstein chose to advance these multi-media development tools to new and previously unachieved heights creating the high impact visual applications for the Internet that have become **iviewit's** core enabling technologies. In developing these technologies, Mr. Bernstein adopted a vision that combined his passions for photography and video with a burning desire to see the Internet evolve from a text-based medium to a visually elegant tool. As Chief Technology Officer and the principal inventor of **iviewit's** proprietary technologies, Mr. Bernstein oversees the continuing development and new applications of **iviewit's** core visualization technologies in addition to developing complementary and emerging technologies. He is committed to insuring that **iviewit** achieves and maintains its leadership position as the standard for audio/visual and imaging technologies.

James F. Armstrong, VP of Sales and Marketing – Mr. Armstrong graduated Northwestern University with a major in Economics and Business. Mr. Armstrong has also received a Certified Investment Management Analyst degree from the Wharton School. He subsequently founded and operated The Armstrong Group, Ltd. The Armstrong Group is a financial planning, insurance consulting and sales firm targeting the corporate executive and high net-worth markets. He has developed marketing materials, formulated policies and procedures and has recruited and supervised a national network of planning and sales specialists for Prudential Securities. In addition, he has experience in building a sales infrastructure for a start-up companies. Mr. Armstrong's extensive knowledge of computer hardware and software applications have served him well in his previous responsibilities, and, together with his broad business experience, uniquely positions him for this leadership role with **iviewit**.

Board of Directors

Brian G. Utley, President

Eliot I. Bernstein, Founder & CTO

Donald G. Kane – Mr. Kane is President of GDI, a privately held holding company that controls 4 business-to-business Internet companies. Prior to joining GDI, Mr. Kane was a Managing Director in the Investment Banking Division of Goldman Sachs & Co. During his fourteen-year career at Goldman Sachs, Mr. Kane created the firm's Midwest Financial Institutions practice and founded a Global Financial Institutions Technology Group. He is a Board member and Vice Chairman of Sagence Systems, Inc., a GDI company and is a member of the Board of Versifi, Inc. and Erogo Systems. Mr. Kane is an advisor to Signcast, Inc., Gryphon Holdings and Capita Technologies. He is a member of the Kellogg Graduate School of Management Advisory Board at Northwestern University and is a member of the Board of the Metropolitan YMCA of Chicago.

Kenneth Anderson - Ken Anderson brings over 20 years of experience in the financial services world to his recent move to Jim Clark's new start-up myCFO. Prior to joining

myCFO, Mr. Anderson served as a partner in Arthur Andersen's private client services practice where he created the family wealth and financial planning practice for the southern California practice. He focused on estate and income tax planning for high net worth individuals and families. Mr. Anderson has significant experience in compensation, insurance, and business succession consulting.

He is a board member of the Idyllwild Arts and Boy Scouts of America, Western Council. Ken is a founding member of the Family Business Program at the University of Southern California. He served as director of the Society of CPA/Financial Planners, was a member of the California CPA Society Committee on Personal Financial Planning. Mr. Anderson is on the Board of Directors of **iviewit** and Schaeffer Autosimulation, LLC. Mr. Anderson holds a BS in accounting and economics from Valparaiso University and a JD with an emphasis on taxation from the Valparaiso University School of Law.

H. Hickman Powell, Director – Prior to joining CrossBow Ventures, Mr. Powell spent 14 years as an investment analyst and corporate finance advisor. He worked with McKinsey & Company and J.P. Morgan Investment Management, both based in London. Among his primary areas of expertise are technology research and economic research, including electronics, telecommunications and computer software. Most recently, he was Senior Technology Analyst and Vice President of Southeast Research Partners, Inc. where he worked with leading technology companies. He earned a bachelor of arts degree at Yale University and a master of business administration degree at Stanford University.

Maurice R. Buchsbaum, Director – Mr. Buchsbaum has engaged in corporate finance projects as a principal, advisor, consultant, officer, director or senior managing director for the past 27 years. As a partner or senior officer of several leading investment banks (including Drexel Burnham, Kidder Peabody and JW Genesis), he has worked in all aspects of corporate finance. He formed Emerald Capital Partners in early 1999, to provide strategic planning and banking advice to a myriad of small and medium sized American growth companies. He has engaged in numerous public and private transactions and activities that include seed capital, early stage financing, major and late stage strategic finance, restructuring and mergers/acquisitions ranging in size from \$1 million to \$700 million. His industry experience includes health care, technology, telecommunications, biotechnology, financial services, environmental, and airlines. He holds BS and MBA degrees with honors from Ohio State University, and was a fellow in the doctoral program at Northwestern University.

Simon L. Bernstein, Chairman Emeritus - Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over a billion in life premium sales. Mr. Bernstein's career in the life insurance industry began in 1965 when he became the top producer for Aetna Life and Casualty Company. He has remained in the top 5% of life insurance sales agencies since that time. Mr. Bernstein supplied the initial "angel" investment for **iviewit**.

Gerald R. Lewin, Director - Gerald Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. In 1981, Mr. Lewin is Senior Partner of Goldstein Lewin & Co., which currently is a leading 50 man southeastern accounting firm. Mr. Lewin specializes in business consulting and is highly knowledgeable in many areas of accounting, tax and financial planning. Mr. Lewin is a member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

Advisory Board

Kenneth Rubenstein –Mr. Rubenstein is a partner at Proskauer Rose LLP law firm and is the patent attorney for **iviewit**. He is a registered patent attorney before the U.S. Patent & Trademark Office. Ken counsels his clients with respect to the validity and infringement of competitors' patents, as well as prosecutes patent applications. For the past several years Ken has worked on the formation of a patent pool, for MPEG-2 technology, involving large consumer electronics and entertainment companies. Ken is also a former member of the legal staff at Bell Laboratories. Ken received his law degree, cum laude, from New York Law School. and his Ph.D. in physics from the Massachusetts Institute of Technology where he also graduated with a B.S. Degree.

Alan J. Epstein –Mr. Epstein is a shareholder of the entertainment law firm Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C., which is based in Los Angeles. Alan's law practice consists of advising Internet companies on various issues pertaining to the entertainment and sports industries, including the creation, licensing and acquisition of content, the introduction and negotiation of strategic partner relationships, and various other matters relating to the convergence of technology and content. Alan also advises his firm's numerous celebrity clients on the exploitation and protection of their name and likeness rights and content on the Internet, as well as merchandising, endorsement and sponsorship deals. Prior to entering the UCLA School of Law, Alan was a certified public accountant at Deloitte Haskins & Sells in Dallas, Texas.

Christopher C. Wheeler – Mr. Wheeler is a member of Proskauer Rose LLP's Corporate Department and as a partner in the Florida office has a versatile transactional practice. Chris has had extensive experience in real estate and corporate law, institutional lending and workouts, administrative law and industrial revenue bond financing. Moreover, he serves as a strategist and counselor to many clients in handling their other legal and business matters. Chris is well-versed in general corporate law as well as mergers and acquisitions and securities matters. He has guided companies from startup through initial private placements to public offerings. A graduate of Hamilton College and Cornell Law School, Chris was a member of the managing Board of Editor of the Cornell Law Review.

Eric M. Chen - Mr. Chen is an honors graduate from Harvard University. He has spent much of his career in the field of investment banking where he has specialized in advising, financing and guiding the growth strategies of many health care companies. His areas of expertise include biotechnology, medical diagnostics, and new emerging

drug technology and delivery systems. He has served as an analyst, Senior Vice President and Managing Director for several Wall Street firms including Furman Selz, Hambrecht & Quist, Fechter Detwiler and Southeast Research Partners. Much of his activities have focused upon early stage growth companies in both the public and private sectors. He has analyzed companies in a wide variety of industries, which include vision care, telecommunications, computer storage, software applications and data management. Mr. Chen is the President of Emerald Capital Partners, which he co-founded with Mr. Buchsbaum, since his departure from Southeast Research Partners in early 1999.

Legal and Accounting Counsel

Arthur Andersen LLP – Auditor - Arthur Andersen's vision is to be *the* partner for success in the New Economy. The firm helps clients find new ways to create, manage and measure value in the rapidly changing global economy. With world-class skills in assurance, tax, consulting and corporate finance, Arthur Andersen has more than 70,000 people in 83 countries that are united by a single worldwide operating structure that fosters inventiveness, knowledge sharing and a focus on client success. Since its beginning in 1913, Arthur Andersen has realized 86 years of uninterrupted growth, with 1999 revenues over \$7 billion. Arthur Andersen is a business unit of Andersen Worldwide.

Proskauer Rose LLP - one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients through the United States and around the world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.

Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C. – one of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting in developing the business structure and strategic relationships for **iviewit**.

Foley & Lardner - one of the oldest and largest law firms in America. Founded in 1842, the firm now has more than 750 attorneys in 14 offices, following the February 1996 merger with Weissburg and Aronson, Inc. Foley & Lardner's over 100 highly skilled intellectual property attorneys constitute one of the largest and most sophisticated technology groups in a general-practice law firm in the United States. As one of the few large national law firms with a global intellectual property law group which is uniquely positioned to help **iviewit** capitalize on its foreign filings. The firm's broad-based representations in litigation, regulatory affairs and general business counseling is

complemented by one of the world's most highly trained staffs, which includes 65 engineering and advanced technical degrees, including 12 Ph.D.'s. The list of clients using Foley & Lardner to fill their intellectual property legal needs ranges from small entrepreneurial start-up companies to large international and multinational corporations. Foley & Lardner attorneys provide solutions and successfully serve the needs of clients around the world, including those situated in the United States, Canada, Latin America, the European Union, Eastern Europe, the Middle East, and the Pacific Rim.

William J. Dick - Special Counsel to the West Palm Beach office of Foley & Lardner. A member of the firm's Intellectual Property Department (Electronics Practice Group), Mr. Dick currently focuses on mentoring other members of the Electronics and Consumer Products Practice Groups in various IP related matters. He also conducts weekly classes in patent related matters for new associates. Mr. Dick joined Foley & Lardner after 26 years with IBM. He began as a patent attorney, and has handled all phases of patent, trademark and copyright duties, including litigation. Mr. Dick's most recent position with IBM was as Assistant General Counsel to IBM Asia Pacific. Mr. Dick is a graduate of the University of Virginia (B.M.E., 1956; L.L.B., 1962 changed to J.D., 1970)

Douglas Boehm - a partner in the Milwaukee office of Foley & Lardner and a member of the firm's Intellectual Property Department (Consumer & Industrial Products Practice Group and Health Information Technology Practice Group), Mr. Boehm practices in the areas of patent, trademark, copyright, and trade secret counseling; U.S. and foreign patent prosecution; and computer software and intellectual property licensing and technology transfers. Mr. Boehm's technical focus encompasses electrical and electronic engineering, including analog/digital/RF circuitry, radio telecommunications, lasers and fiber optics, and computer hardware and software. He has extensive experience in private industry, having worked as a development engineer and patent agent for Motorola, and as patent counsel for a subsidiary of Amoco Technology Company.

Attachment A – Financial Projections



"iviewit Financials
Approved.xls"

If you would like a hard copy of the financials, please run the above Excel executable and print the financials. Once you open the excel workbook, click FILE then, select PRINT, go to the "Print What" section and select "Entire Workbook" and then select OK. In the event that you would like to review the financials on your screen follow the previous steps, except after selecting "Entire Workbook" select "Preview". If you have any problems or would like a hard copy sent please call our toll free number at 877-484-8444.

**VIEWIT FINANCIAL PROJECTIONS
FOR YEARS 2000 - 2003**

FISCAL YEAR THREE - 2002/03

REVENUE	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
Video Streaming	\$1,836,005	2,312,006	2,652,007	1,800,467	2,232,579	3,168,821	2,120,826	2,629,824	3,732,653	2,685,945	3,382,301	3,879,698	32,433,131
Imaging	709,905	893,954	1,025,418	688,344	790,320	1,070,757	776,218	891,213	1,207,450	872,523	1,098,733	1,260,311	11,285,144
	<u>2,545,909</u>	<u>3,205,960</u>	<u>3,677,424</u>	<u>2,488,810</u>	<u>3,022,899</u>	<u>4,239,578</u>	<u>2,897,043</u>	<u>3,521,037</u>	<u>4,940,103</u>	<u>3,558,468</u>	<u>4,481,034</u>	<u>5,140,010</u>	<u>43,718,276</u>
COST OF GOODS SOLD	544,609	685,804	786,657	544,777	661,684	928,004	590,966	718,254	1,007,728	630,121	793,486	910,175	8,802,265
GROSS PROFIT	2,001,300	2,520,156	2,890,767	1,944,033	2,361,215	3,311,574	2,306,078	2,802,783	3,932,375	2,928,347	3,687,548	4,229,834	34,916,011
OPERATING EXPENSES													
Marketing Expense	894,397	1,126,277	1,291,906	887,041	1,077,396	1,511,035	955,448	1,161,242	1,629,252	1,116,251	1,405,650	1,612,363	14,668,259
Corporate Expense	216,069	216,069	216,069	216,581	216,581	216,581	217,122	217,122	217,122	217,696	217,696	217,696	2,602,406
R&D Expense	179,456	179,456	179,456	191,178	191,178	191,178	191,238	191,238	191,238	191,305	191,305	191,305	2,259,529
	<u>1,289,922</u>	<u>1,521,803</u>	<u>1,687,432</u>	<u>1,294,799</u>	<u>1,485,154</u>	<u>1,918,793</u>	<u>1,363,809</u>	<u>1,569,603</u>	<u>2,037,612</u>	<u>1,525,253</u>	<u>1,814,651</u>	<u>2,021,364</u>	<u>19,530,194</u>
NET OPERATING PROFIT (LOSS)	711,378	998,353	1,203,336	649,234	876,061	1,392,781	942,269	1,233,181	1,894,763	1,403,094	1,872,897	2,208,470	15,385,817

FISCAL YEAR TWO - 2001/02

REVENUE	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
Video Streaming	\$611,713	770,306	883,586	655,817	813,213	1,154,238	1,073,945	1,352,375	1,551,254	1,426,660	1,796,534	2,060,731	14,150,373
Imaging	298,872	376,357	431,704	327,047	375,499	508,740	418,395	480,380	650,837	532,679	670,781	769,426	5,840,717
	910,585	1,146,663	1,315,289	982,864	1,188,712	1,662,978	1,492,340	1,832,755	2,202,091	1,959,339	2,467,316	2,830,156	19,991,090
COST OF GOODS SOLD	242,843	305,803	350,774	232,038	280,636	392,602	304,356	373,782	449,107	334,417	421,118	483,047	4,170,524
GROSS PROFIT	667,742	840,860	964,516	750,826	908,076	1,270,376	1,187,984	1,458,973	1,752,984	1,624,922	2,046,198	2,347,110	15,820,566
OPERATING EXPENSES													
Marketing Expense	510,271	642,563	737,058	505,964	611,932	856,077	628,964	772,435	928,096	708,720	892,463	1,023,707	8,818,250
Corporate Expense	185,780	185,780	185,780	190,371	190,371	190,371	195,385	195,385	195,385	195,841	195,841	195,841	2,302,131
R&D Expense	87,662	87,662	87,662	137,695	137,695	137,695	143,404	143,404	143,404	143,449	143,449	143,449	1,536,631
	783,713	916,006	1,010,500	834,031	939,998	1,184,143	967,752	1,111,224	1,266,884	1,048,010	1,231,753	1,362,997	12,657,012
NET OPERATING PROFIT (LOSS)	-115,972	-75,146	-45,985	-83,205	-31,922	86,233	220,232	347,749	486,100	576,912	814,446	984,113	3,163,554

FISCAL YEAR ONE - 2000/01

REVENUE	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
Video Streaming	\$24,344	30,656	35,164	43,597	54,060	76,730	98,323	121,920	173,048	196,795	244,026	346,359	1,445,022
Imaging	51,511	64,866	74,405	64,533	74,093	100,384	107,530	123,461	167,269	162,297	186,341	252,463	1,429,154
	<u>75,856</u>	<u>95,522</u>	<u>109,569</u>	<u>108,130</u>	<u>128,153</u>	<u>177,115</u>	<u>205,853</u>	<u>245,381</u>	<u>340,317</u>	<u>359,092</u>	<u>430,367</u>	<u>598,821</u>	<u>2,874,176</u>
COST OF GOODS SOLD	96,392	121,383	139,233	116,749	138,369	191,234	119,039	141,897	196,796	152,345	182,583	254,050	1,850,070
GROSS PROFIT	-20,537	-25,861	-29,664	-8,620	-10,216	-14,119	86,814	103,484	143,521	206,748	247,784	344,772	1,024,106
OPERATING EXPENSES													
Marketing Expense	236,765	298,148	341,993	233,790	277,084	382,945	293,658	350,047	485,478	320,427	384,028	534,344	4,138,707
Corporate Expense	179,369	179,369	179,369	138,677	138,677	138,677	142,893	142,893	142,893	173,614	173,614	173,614	1,903,657
R&D Expense	49,956	49,956	49,956	73,822	73,822	73,822	73,636	73,636	73,636	82,318	82,318	82,318	839,198
	<u>466,089</u>	<u>527,473</u>	<u>571,318</u>	<u>446,289</u>	<u>489,583</u>	<u>595,444</u>	<u>510,187</u>	<u>566,576</u>	<u>702,007</u>	<u>576,360</u>	<u>639,960</u>	<u>790,276</u>	<u>6,881,561</u>
NET OPERATING PROFIT (LOSS)	-486,626	-553,333	-600,982	-454,909	-499,799	-609,563	-423,374	-463,092	-558,486	-369,612	-392,176	-445,504	-5,857,456

Breakdown by position.

Corporate Cost Structure

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
Ivewit Corporate Costs												
Office of President	43750	43750	56250	106250	106250	106250	120000	120000	120000	120000	120000	120000
Founder & Sr. VP	56250	56250	56250	62500	62500	62500	62500	62500	62500	62500	62500	62500
Office Staff												
Office Manager	12500	12500	12500	12500	13750	13750	13750	13750	15000	15000	15000	15000
Secretarial Support	17500	17500	17500	26250	26250	26250	26250	26250	28750	28750	28750	28750
Chief Financial Officer	43750	43750	43750	43750	43750	43750	48125	48125	48125	48125	48125	48125
Controller	19500	19500	19500	20475	21498.75	22573.69	23702.37	24887.49	26131.86	27438.46	28810.38	28810.38
Accountant	9500	9500	9500	19000	38000	41800	41800	41800	52250	52250	52250	52250
Legal Staff	43750	43750	43750	43750	48125	48125	48125	48125	72187.5	72187.5	72187.5	72187.5
Legal Support	15750	15750	15750	17500	17500	17500	17500	17500	18375	18375	18375	18375
Occupancy	735	945	945	1039.5	1039.5	1039.5	1039.5	1039.5	1139.4	1139.4	1139.4	1139.4
Utilities	1350	1485	1634	1797	2174	2392	2631	2894	3183	3562	3852	3852
Telephone	24000	24000	24000	24000	24000	24000	24000	24000	24000	24000	24000	24000
Consultants	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000
Outside Counsel	75000	75000	75000	75000	90000	90000	90000	90000	110000	110000	110000	110000
Travel	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000
Recruiting Expense	4350	4350	4350	4350	4350	4350	4350	4350	4350	4350	4350	4350
Insurance, Liability & D&O	28805	31305	16055	37305	24344	33094	39344	19594	31594	42844	22844	22844
Network Support	28742	28742	28742	28742	99955	99955	99955	99955	109296	109296	109296	109296
Bonus Pool accrued on revenue	84375	84375	84375	84375	84375	84375	84375	84375	84375	84375	84375	84375
401K Contribution	538106.4	416030	428678.5	520841.9	557341	571112.6	586154.8	587522.6	648208.2	649742	651366.9	653089
Total												
12 month Total				1903657				2302131				2602406

No decimal points anywhere. Round up!

R&D Cost

Ivewit Research and Development												
CTO	31250	31250	31250	31250	31250	31250	31250	31250	34375	34375	34375	34375
Assistant	9250	9250	9250	9250	9250	9250	10000	10000	10000	10000	10000	10000
Professional Development Staff	35000	35000	35000	52500	52500	52500	52500	52500	52500	52500	52500	52500
Software Developers	8750	8750	8750	8750	8750	8750	8750	8750	9000	9000	9000	9000
Technician	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500
Occupancy	210	270	270	270	297	594	594	594	651	651	651	651
Utilities	386	424	467	513	565	1242	1367	1503	1654	1819	2001	2201
Telephone	11522	12522	6422	14922	875	1750	1750	1750	4375	4375	4375	4375
Network Support	12000	25000	25000	25000	25000	25000	35000	35000	35000	35000	35000	35000
Capital Expense	12000	12000	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000
Development Materials	60000	60000	60000	60000	60000	60000	60000	60000	60000	60000	60000	60000
Intellectual Property Processing	12000	15000	15000	15000	20000	20000	20000	20000	23000	23000	23000	23000
Travel and Conferences	7500	7500	10000	10000	12500	18750	18750	18750	21563	21563	21563	21563
Subcontract	149868	221466	220909	246955	262987	413086	430211	430347	538367	573533	573714	573915
Total												
12 month Total				839197.5				1536631				2259529

Costs Allocated to Marketing

Sales and Marketing Occ.	15287	15583	15710	15850	16085	16255	16441	16646	16957	17205	17478	17778
Total, Boca allocation to marketing	15287	15583	15710	15850	16085	16255	16441	16646	16957	17205	17478	17778

May need to front-load add'l p.m. costs

Marketing and Sales Budget

Quarter	New Sales	Directors	Sales T&E	Base Salaries	All Commission	Marketing Exec + Associates	Brand Associates	Strategy	Collateral Materials	Public Relations	Advertising & Trade Shows	Occupancy Boca	Occupancy Other	Network Support	Total
1	2	\$24,000	\$75,000	\$56,189	\$56,250	\$100,000	\$200,000	\$12,500	\$247,500	\$15,287	\$15,287	\$15,287	\$15,287	\$74,892	\$876,906
2	4	\$48,000	\$150,000	\$82,680	\$75,000	\$100,000	\$150,000	\$12,500	\$247,500	\$15,583	\$15,583	\$15,583	\$15,583	\$81,392	\$893,820
3	4	\$72,000	\$225,000	\$158,310	\$75,000	\$100,000	\$150,000	\$12,500	\$247,500	\$15,710	\$15,710	\$15,710	\$15,710	\$41,742	\$1,129,183
4	4	\$72,000	\$225,000	\$277,656	\$93,750	\$100,000	\$150,000	\$12,500	\$247,500	\$15,850	\$15,850	\$15,850	\$15,850	\$96,992	\$1,238,799
5	2	\$84,000	\$262,500	\$674,507	\$93,750	\$100,000	\$75,000	\$25,000	\$447,500	\$16,085	\$16,085	\$16,085	\$16,085	\$63,294	\$1,889,892
6	2	\$96,000	\$300,000	\$766,911	\$112,500	\$100,000	\$75,000	\$25,000	\$447,500	\$16,255	\$16,255	\$16,255	\$16,255	\$86,044	\$1,973,973
7		\$96,000	\$300,000	\$1,105,437	\$112,500	\$100,000	\$75,000	\$25,000	\$447,500	\$16,441	\$16,441	\$16,441	\$16,441	\$102,294	\$2,329,495
8		\$96,000	\$300,000	\$1,451,362	\$112,500	\$100,000	\$75,000	\$25,000	\$447,500	\$16,646	\$16,646	\$16,646	\$16,646	\$50,944	\$2,624,890
9	2	\$108,000	\$337,500	\$1,885,859	\$131,250	\$100,000	\$75,000	\$25,000	\$600,000	\$16,957	\$16,957	\$16,957	\$16,957	\$82,144	\$3,312,581
10	2	\$120,000	\$375,000	\$1,950,257	\$150,000	\$100,000	\$75,000	\$25,000	\$600,000	\$17,205	\$17,205	\$17,205	\$17,205	\$111,394	\$3,475,472
11		\$120,000	\$375,000	\$2,271,637	\$150,000	\$100,000	\$75,000	\$25,000	\$600,000	\$17,478	\$17,478	\$17,478	\$17,478	\$59,394	\$3,745,942
12		\$120,000	\$375,000	\$2,635,902	\$150,000	\$100,000	\$75,000	\$25,000	\$600,000	\$17,778	\$17,778	\$17,778	\$17,778	\$82,250	\$4,134,265
		\$1,056,000	\$3,300,000	\$13,316,708	\$1,312,500	\$300,000	\$1,250,000	\$250,000	\$4,932,500	\$181,988	\$181,988	\$181,988	\$181,988	\$857,882	\$27,272,250

1.5M

Note:

3 New offices will be opened during the first 2 quarters: Los Angeles, Chicago and New York. These offices will house 3-5 of the 10 new sales people. The remaining salespeople will work from their homes and be supported by an expanded administrative pool in the 4 offices (including Boca Raton). Telecommuting sales directors will be supplied with phone, copier, fax, computer and internet service.

Trade Shows: Assume 6 per year at an average cost of \$ 65,000 per show.

Advertising: Year 1, assumes \$ 150,000 per quarter
 Year 2, assumes \$ 350,000 per quarter
 Year 3, assumes \$ 507,500 per quarter

T & E: assumes \$ 6,000 per month of expenses per sales director.

Occupancies This is an allocation of (blank) percent of total occupancy.

Network Support: This is an allocation of (blank) percent of total network support.

- Marketing Exec + 1 Associate
- Marketing Exec + 2 Associates
- Marketing Exec + 2 Associates
- Marketing Exec + 3 Associates
- Marketing Exec + 3 Associates
- Marketing Exec + 4 Associates
- Marketing Exec + 4 Associates
- Marketing Exec + 4 Associates
- Marketing Exec + 5 Associates
- Marketing Exec + 6 Associates
- Marketing Exec + 6 Associates
- Marketing Exec + 6 Associates

seen

These Commissions are too high. Are you really going to have to pay a commission of gross margin work? For example, in 2002/2003, that is \$15.385 M (0.5M of profit) not defensible. That is not income of \$10.242 M. That is business, also earn net that period of commissions. in my results are to during 68.742 M of commissions, in my results projected earned plus 68.742 M of commissions and force to be restructured. I've got salary likely to be sales needs to purchase these base comp view.

Total Revenue Projections

Quarter	Total Revenue	Video										Imaging					Total Revenue
		Encoding	Hosting	Servicing	Master Licensing	Total Revenue	Annual License Fee	Resorts Packages	Image Processing	Master Licensing	Hosting & Servicing	Setup Fees incl. Hotels &	Annual License Fee	Resorts Packages	Image Processing	Master Licensing	
First	\$280,946	\$31,800	\$1,069	\$7,295	\$50,000	\$90,165	\$6,000	\$22,800	\$96,000	\$50,000	\$15,982	\$6,000	\$22,800	\$96,000	\$50,000	\$15,982	\$190,762
Second	\$413,398	\$97,440	\$3,339	\$23,608	\$50,000	\$174,387	\$14,000	\$35,600	\$100,800	\$50,000	\$38,611	\$14,000	\$35,600	\$100,800	\$50,000	\$38,611	\$239,011
Third	\$791,551	\$265,000	\$9,242	\$69,049	\$50,000	\$393,291	\$31,000	\$65,900	\$105,849	\$100,000	\$95,511	\$31,000	\$65,900	\$105,849	\$100,000	\$95,511	\$398,260
Fourth	\$1,388,280	\$518,640	\$18,383	\$150,156	\$100,000	\$787,179	\$54,000	\$96,500	\$111,150	\$150,000	\$189,451	\$54,000	\$96,500	\$111,150	\$150,000	\$189,451	\$601,101
Fifth	\$3,372,537	\$1,519,560	\$54,669	\$453,876	\$237,500	\$2,265,605	\$89,000	\$157,700	\$116,718	\$387,500	\$356,014	\$89,000	\$157,700	\$116,718	\$387,500	\$356,014	\$1,106,932
Sixth	\$3,834,555	\$1,774,680	\$64,728	\$546,360	\$237,500	\$2,623,268	\$125,000	\$144,600	\$120,228	\$287,500	\$533,959	\$125,000	\$144,600	\$120,228	\$287,500	\$533,959	\$1,211,287
Seventh	\$5,527,186	\$2,638,020	\$97,436	\$854,619	\$387,500	\$3,977,575	\$165,000	\$154,600	\$123,843	\$325,000	\$781,169	\$165,000	\$154,600	\$123,843	\$325,000	\$781,169	\$1,549,612
Eighth	\$7,256,811	\$3,541,560	\$132,327	\$1,185,038	\$425,000	\$5,283,925	\$206,000	\$172,700	\$127,566	\$412,500	\$1,054,120	\$206,000	\$172,700	\$127,566	\$412,500	\$1,054,120	\$1,972,886
Ninth	\$9,429,293	\$4,206,420	\$158,639	\$1,459,758	\$975,000	\$6,800,017	\$239,000	\$121,500	\$131,400	\$812,500	\$1,324,876	\$239,000	\$121,500	\$131,400	\$812,500	\$1,324,876	\$2,629,276
Tenth	\$9,751,287	\$4,861,040	\$185,338	\$1,755,488	\$400,000	\$7,201,867	\$271,000	\$119,000	\$134,037	\$437,500	\$1,587,884	\$271,000	\$119,000	\$134,037	\$437,500	\$1,587,884	\$2,549,421
Eleventh	\$11,358,183	\$5,599,280	\$215,369	\$2,106,154	\$562,500	\$8,483,303	\$303,000	\$126,800	\$136,725	\$437,500	\$1,870,855	\$303,000	\$126,800	\$136,725	\$437,500	\$1,870,855	\$2,874,880
Twelfth	\$13,179,512	\$6,539,100	\$253,530	\$2,592,815	\$562,500	\$9,947,945	\$334,000	\$124,300	\$139,470	\$475,000	\$2,158,797	\$334,000	\$124,300	\$139,470	\$475,000	\$2,158,797	\$3,231,567
Year One	\$2,874,176	\$912,880	\$32,034	\$250,108	\$250,000	\$1,445,022	\$105,000	\$220,800	\$413,799	\$350,000	\$339,555	\$105,000	\$220,800	\$413,799	\$350,000	\$339,555	\$1,429,154
Year Two	\$19,991,090	\$9,473,820	\$349,161	\$3,039,893	\$1,287,500	\$14,150,373	\$585,000	\$629,600	\$488,355	\$1,412,500	\$2,725,262	\$585,000	\$629,600	\$488,355	\$1,412,500	\$2,725,262	\$5,840,717
Year Three	\$43,718,276	\$21,205,840	\$813,077	\$7,914,215	\$2,500,000	\$32,433,131	\$1,147,000	\$491,600	\$541,632	\$2,162,500	\$6,942,412	\$1,147,000	\$491,600	\$541,632	\$2,162,500	\$6,942,412	\$11,285,144

Assumes Fiscal Year beginning October 1, 2000
Assumes a 20MM raise in Q4 2000

Video Revenue Projections

1st Quarter (Ending 12/31/09)	Video Minutes Processed per Quarter		Number of GB for Video Hosting & Servicing		Video Hosting & Servicing		Total GB Encoded (4 formats)	Total GB Encoded	GB Hosted by iViewit	GB Hosted via Modem Files	GB Hosted via Broadband Files	GB Hosted via Broadband per video	# of Playbacks per video	Total GB Served	Master License Agreements	Total Revenue
	Avg. Minutes per video	# of Clients	Total Source Video Minutes	Total Encoded Minutes (4 formats)	Modem Files	Broadband Files										
Music	3:00	1,140,000	285,000	1,140,000	0.36	19,066	13,333	13,333	3.81	3.28	28,098	6,000,000	48.64			
Magazines	3:00	540,000	135,000	540,000	0.26	1,821	7,266	7,266	1.82	1.25	15,811	7,000,000	56.74			
Studios	3:00	1,100,000	330,000	1,100,000	0.64	4,444	17,775	17,775	4.44	3.80	33,919	3,750,000	30.40			
Sports	3:00	1,800,000	540,000	1,800,000	0.76	20,448	20,998	20,998	5.23	4.49	30,119	6,250,000	50.66			
All Others	2:00	1,800,000	450,000	1,800,000	0.88	22,931	24,211	24,211	6.05	5.18	33,811	3,500,000	56.74			
Total	6:00	6,360,000	2,130,000	6,360,000		21,339	21,339	21,339					243.18			
Revenue															\$50,000.00	\$90,164.68

2nd Quarter	Video Minutes Processed per Quarter		Number of GB for Video Hosting & Servicing		Video Hosting & Servicing		Total GB Encoded (4 formats)	Total GB Encoded	GB Hosted by iViewit	GB Hosted via Modem Files	GB Hosted via Broadband Files	GB Hosted via Broadband per video	# of Playbacks per video	Total GB Served	Master License Agreements	Total Revenue
	Avg. Minutes per video	# of Clients	Total Source Video Minutes	Total Encoded Minutes (4 formats)	Modem Files	Broadband Files										
Music	4:00	4,800,000	1,200,000	4,800,000	2.43	84,225	64,566	64,566	16.79	14.35	136,088	6,300,000	220.33			
Magazines	2:00	1,576,000	384,000	1,576,000	0.78	65,531	26,537	26,537	15.88	10.84	105,841	7,350,000	171.36			
Studios	4:00	3,712,000	928,000	3,712,000	1.88	35,111	11,111	11,111	56.71	33.11	56,711	3,938,000	91.81			
Sports	2:00	4,384,000	1,096,000	4,384,000	2.22	58,511	15,333	15,333	48.51	28.51	102,811	6,563,000	166.47			
All Others	4:00	5,056,000	1,264,000	5,056,000	2.56	63,651	17,688	17,688	68.15	41.23	102,811	3,570,000	802.99			
Total	3:00	19,488,000	4,864,000	19,488,000		218,151	117,249	117,249					829.46			
Revenue															\$50,000.00	\$174,387.22

3rd Quarter	Video Minutes Processed per Quarter		Number of GB for Video Hosting & Servicing		Video Hosting & Servicing		Total GB Encoded (4 formats)	Total GB Encoded	GB Hosted by iViewit	GB Hosted via Modem Files	GB Hosted via Broadband Files	GB Hosted via Broadband per video	# of Playbacks per video	Total GB Served	Master License Agreements	Total Revenue
	Avg. Minutes per video	# of Clients	Total Source Video Minutes	Total Encoded Minutes (4 formats)	Modem Files	Broadband Files										
Music	5:00	10,500,000	2,625,000	10,500,000	3.85	208,666	83,888	83,888	52.00	32.00	1,288.83	6,015,000	829.46			
Magazines	3:00	4,080,000	1,020,000	4,080,000	2.15	148,222	58,888	58,888	38.32	22.72	126.67	7,718,000	483.88			
Studios	5:00	7,320,000	1,830,000	7,320,000	3.85	208,666	83,888	83,888	52.00	32.00	1,288.83	6,015,000	829.46			
Sports	4:00	5,056,000	1,264,000	5,056,000	2.22	58,511	15,333	15,333	48.51	28.51	102,811	3,570,000	802.99			
All Others	8:00	13,280,000	3,320,000	13,280,000	6.99	165,333	41,233	41,233	126.67	75.77	275.63	6,892,000	432.09			
Total	5:00	53,000,000	13,280,000	53,000,000		530,000	192,477	192,477					2,996.54			
Revenue															\$50,000.00	\$393,291.35

4th Quarter	Video Minutes Processed per Quarter		Number of GB for Video Hosting & Servicing		Video Hosting & Servicing		Total GB Encoded (4 formats)	Total GB Encoded	GB Hosted by iViewit	GB Hosted via Modem Files	GB Hosted via Broadband Files	GB Hosted via Broadband per video	# of Playbacks per video	Total GB Served	Master License Agreements	Total Revenue
	Avg. Minutes per video	# of Clients	Total Source Video Minutes	Total Encoded Minutes (4 formats)	Modem Files	Broadband Files										
Music	6:00	12,960,000	3,240,000	12,960,000	5.46	281,666	110,888	110,888	67.33	41.23	829.46	6,015,000	829.46			
Magazines	4:00	4,080,000	1,020,000	4,080,000	3.85	208,666	83,888	83,888	52.00	32.00	1,288.83	6,015,000	829.46			
Studios	6:00	9,096,000	2,274,000	9,096,000	6.76	270,666	104,444	104,444	82.23	51.23	1,311.11	6,015,000	829.46			
Sports	7:00	6,384,000	1,596,000	6,384,000	13.94	350,888	139,111	139,111	104.44	64.44	1,611.11	6,015,000	829.46			
All Others	9:00	19,008,000	4,752,000	19,008,000	10.38	261,333	104,444	104,444	104.44	64.44	1,611.11	6,015,000	829.46			
Total	42:00	518,640,000	129,600,000	518,640,000		1,188,441	390,644	390,644					5,817.93			
Revenue															\$100,000.00	\$787,179.11

5th Quarter	Video Minutes Processed per Quarter		Number of GB for Video Hosting & Servicing		Video Hosting & Servicing		Total GB Encoded (4 formats)	Total GB Encoded	GB Hosted by iViewit	GB Hosted via Modem Files	GB Hosted via Broadband Files	GB Hosted via Broadband per video	# of Playbacks per video	Total GB Served	Master License Agreements	Total Revenue
	Avg. Minutes per video	# of Clients	Total Source Video Minutes	Total Encoded Minutes (4 formats)	Modem Files	Broadband Files										
Music	7:00	11,700,000	2,925,000	11,700,000	6.76	270,666	104,444	104,444	82.23	51.23	1,311.11	6,015,000	829.46			
Magazines	7:00	6,912,000	1,728,000	6,912,000	15.68	393,333	157,333	157,333	122.22	76.22	1,611.11	6,015,000	829.46			
Studios	6:00	5,712,000	1,428,000	5,712,000	12.92	323,111	127,777	127,777	104.44	64.44	1,611.11	6,015,000	829.46			
Sports	20:00	24,000,000	6,000,000	24,000,000	50.67	1,266,666	506,666	506,666	405.55	253.55	1,611.11	6,015,000	829.46			
All Others	24:00	62,496,000	15,624,000	62,496,000	35.34	884,555	353,777	353,777	353.44	218.44	1,545.88	3,790,000	2,291.93			
Total	100:00	\$1,519,560,000	389,624,000	\$1,519,560,000		3,588,441	1,388,441	1,388,441					16,402.55			
Revenue															\$217,500.00	\$2,265,604.93

6th Quarter	Video Minutes Processed per Quarter		Number of GB for Video Hosting & Servicing		Video Hosting & Servicing		Total GB Encoded (4 formats)	Total GB Encoded	GB Hosted by iViewit	GB Hosted via Modem Files	GB Hosted via Broadband Files	GB Hosted via Broadband per video	# of Playbacks per video	Total GB Served	Master License Agreements	Total Revenue
	Avg. Minutes per video	# of Clients	Total Source Video Minutes	Total Encoded Minutes (4 formats)	Modem Files	Broadband Files										
Music	8:00	11,700,000	2,925,000	11,700,000	7.09	301,111	117,777	117,777	85.55	51.11	1,311.11	6,015,000	829.46			
Magazines	8:00	7,008,000	1,752,000	7,008,000	16.81	420,444	168,111	168,111	122.22	76.22	1,611.11	6,015,000	829.46			
Studios	6:00	6,768,000	1,692,000	6,768,000	15.84	396,000	158,444	158,444	104.44	64.44	1,611.11	6,015,000	829.46			
Sports	20:00	26,400,000	6,600,000	26,400,000	50.67	1,266,666	506,666	506,666	405.55	253.55	1,611.11	6,015,000	829.46			
All Others	24:00	73,728,000	18,432,000	73,728,000	35.34	884,555	353,777	353,777	353.44	218.44	1,545.88	3,790,000	2,291.93			
Total	100:00	\$4,936,000	1,236,000	\$4,936,000		1,432,111	549,666	549,666					20,147.79			
Revenue															\$217,500.00	\$2,265,604.93

Revenue		\$1,774,688.00		\$64,728.27		\$546,368.15		\$237,500.00		\$2,623,268.42					
7th Quarter		Number of GB for Video Hosting & Serving		Video Hosting & Serving		Video Hosting & Serving		Video Hosting & Serving		Video Hosting & Serving					
Industry	# of Clients	Avg. Minutes per video	Total Source Video Minutes	Total Encoded Minutes (4 formats)	Total Encoded Minutes (4 formats)	Total GB Encoded	GB Hosted by iViewit	GB Hosted for GB Served via Modem Files	GB Hosted for GB Served via Modem Broadband Files	GB Served via Broadband per video	# of Playbacks per video	Total GB Served	Master License Agreements	Total Revenue	
Music	44.00	8.00	42,240.00	168,960.00	2,272.51	704.48	102.14	4,258.48	602.34	7,849.07	7,703.00	11,107.55			
Magazines	27.00	7.00	11,151.00	44,604.00	599.92	185.98	26.96	2,031.22	159.01	4,892.84	8,943.00	6,924.06			
Studios	7.00	9.00	9,198.00	36,792.00	494.85	153.40	22.24	362.80	131.16	873.92	4,792.00	1,236.72			
Sports	30.00	8.00	40,800.00	163,200.00	2,195.04	680.46	98.65	2,416.37	581.81	5,820.59	8,378.00	8,236.97			
All Others	36.00	8.00	28,512.00	114,048.00	1,533.95	475.52	68.94	1,365.03	406.58	3,288.10	3,944.00	4,653.13			
Total	144.00		127,604.00	527,604.00	7,029.84	2,199.84	68.94	13,650.37	1,408.87	32,158.43	32,158.43	32,158.43			
Revenue		\$2,638,020.00		\$97,435.79		\$854,619.00		\$387,500.00		\$3,977,574.79					
8th Quarter		Number of GB for Video Hosting & Serving		Video Hosting & Serving		Video Hosting & Serving		Video Hosting & Serving		Video Hosting & Serving		Video Hosting & Serving		Video Hosting & Serving	
Industry	# of Clients	Avg. Minutes per video	Total Source Video Minutes	Total Encoded Minutes (4 formats)	Total Encoded Minutes (4 formats)	Total GB Encoded	GB Hosted by iViewit	GB Hosted for GB Served via Modem Files	GB Hosted for GB Served via Modem Broadband Files	GB Served via Broadband per video	# of Playbacks per video	Total GB Served	Master License Agreements	Total Revenue	
Music	55.00	8.00	54,120.00	216,480.00	2,911.66	931.73	153.08	4,259.92	596.65	11,025.04	7,973.00	15,284.96			
Magazines	34.00	7.00	14,518.00	58,072.00	781.07	249.94	36.24	2,636.30	213.70	6,822.96	9,122.00	9,459.26			
Studios	8.00	9.00	10,872.00	43,488.00	584.91	187.17	27.14	437.36	160.04	1,006.04	4,888.00	1,531.39			
Sports	30.00	8.00	53,304.00	213,216.00	2,878.52	921.12	133.55	3,247.40	787.58	8,404.54	8,707.00	11,651.94			
All Others	54.00	8.00	44,064.00	176,256.00	2,370.64	758.61	109.98	2,110.38	648.62	5,461.85	4,023.00	7,972.23			
Total	109.00		176,868.00	706,312.00	9,426.80	3,048.57	309.99	13,706.40	1,306.59	31,777.96	31,777.96	31,777.96			
Revenue		\$3,541,560.00		\$132,227.28		\$1,185,037.67		\$425,000.00		\$5,283,924.95					
9th Quarter		Number of GB for Video Hosting & Serving		Video Hosting & Serving		Video Hosting & Serving		Video Hosting & Serving		Video Hosting & Serving		Video Hosting & Serving		Video Hosting & Serving	
Industry	# of Clients	Avg. Minutes per video	Total Source Video Minutes	Total Encoded Minutes (4 formats)	Total Encoded Minutes (4 formats)	Total GB Encoded	GB Hosted by iViewit	GB Hosted for GB Served via Modem Files	GB Hosted for GB Served via Modem Broadband Files	GB Served via Broadband per video	# of Playbacks per video	Total GB Served	Master License Agreements	Total Revenue	
Music	61.00	8.00	61,488.00	245,952.00	3,308.05	1,091.66	158.27	4,862.80	933.39	13,495.54	8,133.00	18,338.34			
Magazines	38.00	7.00	16,758.00	67,032.00	901.58	297.52	43.14	3,032.59	254.39	8,416.23	9,305.00	11,448.82			
Studios	9.00	9.00	12,555.00	50,220.00	675.46	222.90	32.32	494.83	190.58	1,373.27	4,986.00	1,668.10			
Sports	48.00	8.00	69,120.00	276,480.00	3,718.66	1,227.16	177.91	4,345.88	1,049.24	12,060.96	9,237.00	16,406.84			
All Others	60.00	8.00	50,400.00	201,600.00	2,711.52	894.80	129.73	2,413.59	765.07	6,098.36	4,104.00	9,111.95			
Total	216.00		190,221.00	761,284.00	10,235.27	3,734.04	379.77	16,105.00	1,384.67	41,378.06	41,378.06	41,378.06			
Revenue		\$4,206,420.00		\$158,839.72		\$1,459,257.64		\$975,000.00		\$6,800,016.75					

Video Assumptions

Basic Assumptions	
Video Processing (per minute)	\$5
Average # of Encoding Formats	4
Video Hosting (per GB)	\$50
Video Servicing (per GB)	\$30
Percentage Served of each video	70%
% of Clients Hosting Video with iViewit	25%
First Year Annual Video Master License Fee (VML)	\$50,000
Renewal Year Annual Video Master License Fee (VML)	\$37,500
# of VML clients expressed as a % of Full-Service Clients	see table

Format	File Size (GB/min.)
avg modem file	0.000975
avg broadband file	0.00575
gig/min of video for 4 formats combin	0.01345
Modem File Size as a % of Total	14.50%
Broadband File Size as a % of Total	85.50%

Number of Client Accounts

Quarter	Music	Magazines	Studios	Sports	All Others	Total VML Clients	New VML Clients by Quarter	Total Client Accounts
1	1	1	1	1	2	1	1	7
2	150.00%	100.00%	25.00%	100.00%	100.00%	2	1	15
3	150.00%	100.00%	25.00%	100.00%	100.00%	3	1	30
4	75.00%	100.00%	25.00%	75.00%	5.00%	5	2	47
5	50.00%	50.00%	15.00%	75.00%	75.00%	11	6	78
6	50.00%	50.00%	15.00%	50.00%	50.00%	20	4	115
7	35.00%	50.00%	15.00%	50.00%	50.00%	30	7	166
8	25.00%	25.00%	10.00%	25.00%	50.00%	38	7	218
9	10.00%	10.00%	10.00%	15.00%	10.00%	48	15	260
10	10.00%	10.00%	10.00%	15.00%	10.00%	66	5	291
11	10.00%	10.00%	10.00%	15.00%	10.00%	73	6	326
12	10.00%	10.00%	10.00%	15.00%	10.00%	81	6	365

Override % when >0

Renewal VML Clients
0
0
0
0
1
1
1
2
6
4
7
7

Average Source Minutes per Video

Quarter	Music	Magazines	Studios	Sports	All Others
1	3	3	3	3	3
2	2.00%	2.00%	25.00%	2.00%	2.00%
3	2.00%	2.00%	15.00%	2.00%	2.00%
4	2.00%	2.00%	15.00%	2.00%	2.00%
5	2.00%	2.00%	15.00%	2.00%	2.00%
6	1.00%	0.00%	5.00%	2.00%	2.00%
7	0.00%	0.00%	5.00%	0.00%	0.00%
8	0.00%	0.00%	0.00%	0.00%	0.00%
9	0.00%	0.00%	0.00%	0.00%	0.00%
10	0.00%	0.00%	0.00%	0.00%	0.00%
11	0.00%	0.00%	0.00%	0.00%	0.00%
12	0.00%	2.00%	0.00%	0.00%	0.00%

Override % when >0

Video Assumptions

Average Number of Videos per Client						
Quarter	Music	Magazines	Studios	Sports	All Others	Total Videos
	Growth Factor	Avg. # of Videos per Client	Growth Factor	Avg. # of Videos per Client	Growth Factor	Avg. # of Videos per Client
1	95	45	110	130	75	455
2	5.00%	48	5.00%	5.00%	5.00%	480
3	5.00%	51	5.00%	5.00%	5.00%	505
4	3.00%	53	5.00%	5.00%	5.00%	531
5	3.00%	55	5.00%	5.00%	5.00%	557
6	3.00%	57	3.00%	3.00%	3.00%	576
7	2.00%	59	3.00%	3.00%	3.00%	594
8	2.00%	61	3.00%	3.00%	3.00%	613
9	2.00%	63	2.00%	2.00%	2.00%	629
10	2.00%	65	2.00%	2.00%	2.00%	645
11	2.00%	67	2.00%	2.00%	2.00%	661
12	2.00%	69	2.00%	2.00%	2.00%	677

Override % when >0

Number of Playbacks per Video Hosted						
Quarter	Music	Magazines	Studios	Sports	All Others	Total Playback
	Growth Factor	# of Playbacks per Video	Growth Factor	# of Playbacks per Video	Growth Factor	# of Playbacks per Video
1	6,000	7,000	3,750	6,250	3,500	26,500
2	5.00%	7,350	5.00%	5.00%	2.00%	27,721
3	5.00%	7,718	5.00%	5.00%	2.00%	29,002
4	5.00%	8,104	5.00%	5.00%	2.00%	30,344
5	3.50%	8,388	3.50%	5.00%	2.00%	31,461
6	3.50%	8,682	3.50%	5.00%	2.00%	32,621
7	3.50%	8,943	3.00%	5.00%	2.00%	33,760
8	3.50%	9,122	2.00%	5.00%	2.00%	34,803
9	2.00%	9,305	2.00%	5.00%	2.00%	35,765
10	2.00%	9,492	2.00%	5.00%	2.00%	36,760
11	2.00%	9,682	2.00%	5.00%	2.00%	37,787
12	2.00%	9,876	2.00%	5.00%	2.00%	38,851

Override % when >0

Year	% of Full-Service Clients	% of Full-Service Clients
1	10.00%	10.00%
2	10.00%	10.00%
3	10.00%	10.00%
4	10.00%	10.00%
5	15.00%	15.00%
6	15.00%	15.00%
7	15.00%	15.00%
8	15.00%	15.00%
9	20.00%	20.00%
10	20.00%	20.00%
11	20.00%	20.00%
12	20.00%	20.00%

% of Clients Hosting with iviewit		
Quarter	Quarterly Increase	% of Clients
1		25.00%
2	1.00%	26.00%
3	1.00%	27.00%
4	1.00%	28.00%
5	1.00%	29.00%
6	1.00%	30.00%
7	1.00%	31.00%
8	1.00%	32.00%
9	1.00%	33.00%
10	1.00%	34.00%
11	1.00%	35.00%
12	1.00%	36.00%

Bandwidth Costs			
Quarter	Quarterly Discount	Quarterly Hosting Charge	Quarterly Servicing Charge
1		\$50.00	\$30.00
2	2.00%	\$49.00	\$29.40
3	2.00%	\$48.02	\$28.81
4	2.00%	\$47.06	\$28.24
5	2.00%	\$46.12	\$27.67
6	2.00%	\$45.20	\$27.12
7	2.00%	\$44.29	\$26.58
8	2.00%	\$43.41	\$26.04
9	2.00%	\$42.54	\$25.52
10	2.00%	\$41.69	\$25.01
11	2.00%	\$40.85	\$24.51
12	2.00%	\$40.04	\$24.02

Broadband vs. Modem Servicing Ratio		
Quarter	Modem Speed Total Serviced	Broadband Speed Percentage of Total Serviced
1	80.00%	20.00%
2	78.50%	21.50%
3	77.00%	23.00%
4	75.50%	24.50%
5	74.00%	26.00%
6	72.50%	27.50%
7	71.00%	29.00%
8	69.50%	30.50%
9	68.00%	32.00%
10	66.50%	33.50%
11	65.00%	35.00%
12	63.50%	36.50%

Revenue Projections - Imaging

Industry	Image Processing				Image Hosting & Serving				Master License Agreements	Total Revenue		
	Total Clients (Annual License Fee)	Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband			Total GB Served	
Collectibles/Auctions	1.00	1.00	15,000	7.50	1.50	120.00	6.00	120.00	100.00	240.00		
Magazines	1.00	1.00	900	0.45	0.09	36.00	0.36	36.00	500.00	72.00		
Retail	1.00	1.00	200	0.10	0.02	4.80	0.08	4.80	300.00	9.60		
Healthcare B2B Education	1.00	1.00	15,000	7.50	1.50	84.00	0.24	84.00	70.00	168.00		
Modeling	1.00	1.00	600	0.30	0.06	2.88	0.12	2.88	60.00	5.76		
All Others	1.00	1.00	300	0.15	0.03	2.88	0.12	2.88	120.00	5.76		
Hotels & Resorts	1.00	1.00	32,000	16.00	3.15	259.64	1.13	284.45	105.00	544.08		
Total	7.00	7.00	\$96,000	\$0	15.75	116.84	3.15	128.00	525.00	244.84		
Revenue (ex Resorts & Hotels) Resorts & Hotel Revenue	\$6,000	\$7,800	\$96,000	\$0	\$0	\$100,800	\$1,341	\$50,000	\$50,000	\$50,000		
Total Revenue	\$6,000	\$22,800	\$96,000	\$0	\$0	\$100,800	\$1,341	\$50,000	\$50,000	\$15,982		\$190,782

Industry	Image Processing				Image Hosting & Serving				Master License Agreements	Total Revenue		
	Total Clients (Annual License Fee)	Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband			Total GB Served	
Collectibles/Auctions	2.00	2.00	15,750	15.75	3.15	259.64	1.13	284.45	105.00	544.08		
Magazines	3.00	2.00	945	1.42	0.28	116.84	0.17	113.8	315.00	21.76		
Retail	2.00	1.00	210	0.21	0.04	10.39	0.17	11.38	74.00	383.45		
Healthcare B2B Education	2.00	1.00	15,750	15.75	3.15	182.98	0.50	200.47	63.00	13.06		
Modeling	2.00	1.00	630	0.63	0.13	6.23	0.38	10.24	126.00	19.59		
All Others	3.00	2.00	315	0.47	0.09	9.35	0.38	10.24	126.00	19.59		
Hotels & Resorts	3.00	2.00	33,600	34.23	6.23	519.64	2.26	544.45	210.00	424.84		
Total	17.00	10.00	\$100,800	\$0	34.23	\$100,800	\$1,341	\$50,000	\$50,000	\$37,270		\$239,011
Revenue (ex Resorts & Hotels) Resorts & Hotel Revenue	\$14,000	\$15,600	\$100,800	\$0	\$0	\$100,800	\$1,341	\$50,000	\$50,000	\$50,000		
Total Revenue	\$14,000	\$35,600	\$100,800	\$0	\$0	\$100,800	\$1,341	\$50,000	\$50,000	\$38,611		\$239,011

Industry	Image Processing				Image Hosting & Serving				Master License Agreements	Total Revenue		
	Total Clients (Annual License Fee)	Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband			Total GB Served	
Collectibles/Auctions	5.00	3.00	16,538	41.35	8.27	706.75	33.08	844.43	111.00	1,551.18		
Magazines	6.00	3.00	993	2.98	0.60	253.24	2.38	302.57	552.00	555.81		
Retail	4.00	2.00	221	0.44	0.09	22.53	0.35	26.92	331.00	49.45		
Healthcare B2B Education	4.00	2.00	16,538	33.08	6.62	397.31	26.46	474.71	78.00	872.02		
Modeling	4.00	2.00	662	1.32	0.26	13.66	1.06	16.32	67.00	29.98		
All Others	8.00	5.00	331	1.32	0.26	27.12	1.06	32.40	133.00	59.52		
Hotels & Resorts	6.00	3.00	35,283	80.49	15.63	1,380.54	62.51	1,791.96	117.00	3,172.51		
Total	37.00	20.00	\$105,849	\$0	80.49	\$100,000	\$2,682	\$100,000	\$2,682	\$92,829		\$398,260
Revenue (ex Resorts & Hotels) Resorts & Hotel Revenue	\$31,000	\$42,500	\$105,849	\$0	\$0	\$100,000	\$2,682	\$100,000	\$100,000	\$100,000		
Total Revenue	\$31,000	\$65,900	\$105,849	\$0	\$0	\$100,000	\$2,682	\$100,000	\$100,000	\$95,511		\$398,260

Industry	Image Processing				Image Hosting & Serving				Master License Agreements	Total Revenue		
	Total Clients (Annual License Fee)	Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband			Total GB Served	
Collectibles/Auctions	4.00	4.00	17,365	78.14	15.63	1,380.54	62.51	1,791.96	117.00	3,172.51		
Magazines	11.00	5.00	1,043	5.74	1.15	502.40	4.59	632.13	580.00	1,154.53		
Retail	7.00	3.00	233	0.82	0.16	42.85	0.65	55.62	348.00	98.48		
Healthcare B2B Education	7.00	3.00	17,365	60.78	12.16	752.55	48.62	976.82	82.00	1,729.36		
Modeling	6.00	2.00	696	2.09	0.42	22.39	1.67	29.06	71.00	51.44		
All Others	14.00	6.00	348	2.44	0.49	51.50	1.95	66.84	140.00	118.34		
Hotels & Resorts	11.00	5.00	37,050	150.00	30.49	2,519.64	102.46	2,622.10	140.00	5,259.74		
Total	65.00	28.00	\$111,150	\$0	150.00	\$100,000	\$4,917	\$150,000	\$4,917	\$184,534		\$601,101
Revenue (ex Resorts & Hotels) Resorts & Hotel Revenue	\$54,000	\$59,000	\$111,150	\$0	\$0	\$100,000	\$4,917	\$150,000	\$150,000	\$150,000		
Total Revenue	\$54,000	\$96,500	\$111,150	\$0	\$0	\$100,000	\$4,917	\$150,000	\$150,000	\$189,451		\$601,101

Revenue Projections - Imaging

5th Quarter	Image Processing										Image Hosting & Servicing													
	Total Clients (Annual License Fee)		Total Clients This Quarter (Setup Fee)		# of Source Images/Client		Total GB Hosted (2 formats)		GB Hosted for Modem Files		GB Served via Modem		GB Hosted for Broadband Files		GB Served via Broadband		# of Times Ea Image is Displayed		Total GB Served		Master License Agreements		Total Revenue	
	16.00	18,234	7.00	18,234	18,234	18,234	145.87	29.17	2,633.86	116.70	2,633.86	116.70	3,701.65	122.00	6,335.51	3,387,500	3,387,500	12,138.25	12,138.25	3,387,500	3,387,500	12,138.25	12,138.25	
Industry	16.00	18,234	7.00	18,234	18,234	18,234	145.87	29.17	2,633.86	116.70	2,633.86	116.70	3,701.65	122.00	6,335.51	3,387,500	3,387,500	12,138.25	12,138.25	3,387,500	3,387,500	12,138.25	12,138.25	
Collectibles/Auctions	17.00	1,096	6.00	1,096	1,096	9.32	1.86	828.64	7.45	1,164.57	601.00	1,993.21	601.00	1,993.21	601.00	1,993.21	601.00	1,993.21	601.00	1,993.21	601.00	1,993.21	601.00	1,993.21
Magazines	13.00	8,245	5.00	8,245	8,245	109.40	21.88	1,376.30	87.52	1,924.26	85.00	3,310.57	85.00	3,310.57	85.00	3,310.57	85.00	3,310.57	85.00	3,310.57	85.00	3,310.57	85.00	3,310.57
Retail	12.00	731	2.00	731	731	4.21	0.84	32.02	2.34	45.01	74.00	77.03	74.00	77.03	74.00	77.03	74.00	77.03	74.00	77.03	74.00	77.03	74.00	77.03
Healthcare B2B Education	8.00	366	9.00	366	366	4.21	0.84	90.33	3.37	126.94	145.00	217.27	145.00	217.27	145.00	217.27	145.00	217.27	145.00	217.27	145.00	217.27	145.00	217.27
Modeling	23.00	44.00	44.00	44.00	44.00	273.32																		
All Others	20.00	38,906	44.00	38,906	38,906	273.32																		
Hotels & Resorts	20.00	38,906	44.00	38,906	38,906	273.32																		
Total	109.00	\$89,000	\$87,500	\$116,718	\$116,718	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue (ex Resorts & Hotels)		\$89,000	\$87,500	\$116,718	\$116,718	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Resorts & Hotel Revenue		\$89,000	\$87,500	\$116,718	\$116,718	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue		\$89,000	\$87,500	\$116,718	\$116,718	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

6th Quarter	Image Processing										Image Hosting & Servicing													
	Total Clients (Annual License Fee)		Total Clients This Quarter (Setup Fee)		# of Source Images/Client		Total GB Hosted (2 formats)		GB Hosted for Modem Files		GB Served via Modem		GB Hosted for Broadband Files		GB Served via Broadband		# of Times Ea Image is Displayed		Total GB Served		Master License Agreements		Total Revenue	
	22.00	18,782	6.00	18,782	18,782	18,782	206.60	41.32	3,804.58	165.28	5,772.46 <td>127.00</td> <td>9,577.04</td> <td>127.00</td> <td>9,577.04</td> <td>127.00</td> <td>9,577.04</td> <td>127.00</td> <td>9,577.04</td> <td>127.00</td> <td>9,577.04</td> <td>127.00</td> <td>9,577.04</td> <td>127.00</td> <td>9,577.04</td>	127.00	9,577.04	127.00	9,577.04	127.00	9,577.04	127.00	9,577.04	127.00	9,577.04	127.00	9,577.04	127.00
Industry	22.00	18,782	6.00	18,782	18,782	206.60	41.32	3,804.58	165.28	5,772.46	127.00	9,577.04	127.00	9,577.04	127.00	9,577.04	127.00	9,577.04	127.00	9,577.04	127.00	9,577.04	127.00	9,577.04
Collectibles/Auctions	22.00	1,129	5.00	1,129	1,129	12.42	2.48	1,702.15	9.94	2,081.17	623.00	2,824.02	623.00	2,824.02	623.00	2,824.02	623.00	2,824.02	623.00	2,824.02	623.00	2,824.02	623.00	2,824.02
Magazines	20.00	18,782	6.00	18,782	18,782	169.04	33.81	2,156.92	135.23	3,272.58	88.00	5,429.50	88.00	5,429.50	88.00	5,429.50	88.00	5,429.50	88.00	5,429.50	88.00	5,429.50	88.00	5,429.50
Retail	18.00	753	2.00	753	753	3.77	0.75	42.04	3.01	63.78	77.00	105.82	77.00	105.82	77.00	105.82	77.00	105.82	77.00	105.82	77.00	105.82	77.00	105.82
Healthcare B2B Education	10.00	377	10.00	377	377	6.22	1.24	136.20	4.98	206.65	151.00	342.84	151.00	342.84	151.00	342.84	151.00	342.84	151.00	342.84	151.00	342.84	151.00	342.84
Modeling	33.00	40.076	43.00	40.076	40.076	400.57																		
All Others	27.00	43.00	43.00	43.00	43.00	400.57																		
Hotels & Resorts	27.00	43.00	43.00	43.00	43.00	400.57																		
Total	152.00	\$90,000	\$54,600	\$120,228	\$120,228	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue (ex Resorts & Hotels)		\$90,000	\$54,600	\$120,228	\$120,228	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Resorts & Hotel Revenue		\$90,000	\$54,600	\$120,228	\$120,228	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue		\$90,000	\$54,600	\$120,228	\$120,228	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

7th Quarter	Image Processing										Image Hosting & Servicing													
	Total Clients (Annual License Fee)		Total Clients This Quarter (Setup Fee)		# of Source Images/Client		Total GB Hosted (2 formats)		GB Hosted for Modem Files		GB Served via Modem		GB Hosted for Broadband Files		GB Served via Broadband		# of Times Ea Image is Displayed		Total GB Served		Master License Agreements		Total Revenue	
	29.00	19,346	7.00	19,346	19,346	19,346	280.52	56.10	5,258.01 <td>224.41</td> <td>8,590.55</td> <td>132.00</td> <td>13,848.56</td> <td>132.00</td> <td>13,848.56</td> <td>132.00</td> <td>13,848.56</td> <td>132.00</td> <td>13,848.56</td> <td>132.00</td> <td>13,848.56</td> <td>132.00</td> <td>13,848.56</td> <td>132.00</td> <td>13,848.56</td>	224.41	8,590.55	132.00	13,848.56	132.00	13,848.56	132.00	13,848.56	132.00	13,848.56	132.00	13,848.56	132.00	13,848.56	132.00
Industry	29.00	19,346	7.00	19,346	19,346	280.52	56.10	5,258.01	224.41	8,590.55	132.00	13,848.56	132.00	13,848.56	132.00	13,848.56	132.00	13,848.56	132.00	13,848.56	132.00	13,848.56	132.00	13,848.56
Collectibles/Auctions	28.00	1,163	6.00	1,163	1,163	16.28	3.26	1,491.27	13.03	2,436.44	645.00	3,927.71	645.00	3,927.71	645.00	3,927.71	645.00	3,927.71	645.00	3,927.71	645.00	3,927.71	645.00	3,927.71
Magazines	27.00	19,346	7.00	19,346	19,346	261.17	52.23	3,411.94	208.94	5,574.43	92.00	8,986.37	92.00	8,986.37	92.00	8,986.37	92.00	8,986.37	92.00	8,986.37	92.00	8,986.37	92.00	8,986.37
Retail	12.00	776	2.00	776	776	4.66	0.93	52.89	3.72	86.42	80.00	139.31	80.00	139.31	80.00	139.31	80.00	139.31	80.00	139.31	80.00	139.31	80.00	139.31
Healthcare B2B Education	42.00	389	9.00	389	389	8.17	1.63	182.12	6.54	297.55	157.00	479.67	157.00	479.67	157.00	479.67	157.00	479.67	157.00	479.67	157.00	479.67	157.00	479.67
Modeling	34.00	41.281	47.00	41.281	41.281	574.32																		
All Others	199.00	41.281	47.00	41.281	41.281	574.32																		
Hotels & Resorts	199.00	41.281	47.00	41.281	41.281	574.32																		
Total	165.000	\$165,000	\$54,600	\$123,843	\$123,843	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue (ex Resorts & Hotels)		\$165,000	\$54,600	\$123,843	\$123,843	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Resorts & Hotel Revenue		\$165,000	\$54,600	\$123,843	\$123,843	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue		\$165,000	\$54,600	\$123,843	\$123,843	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

8th Quarter	Image Processing										Image Hosting & Servicing													
	Total Clients (Annual License Fee)		Total Clients This Quarter (Setup Fee)		# of Source Images/Client		Total GB Hosted (2 formats)		GB Hosted for Modem Files		GB Served via Modem		GB Hosted for Broadband Files		GB Served via Broadband		# of Times Ea Image is Displayed		Total GB Served		Master License Agreements		Total Revenue	
	31.00	19,927	6.00	19,927	19,927	19,927	348.72	69.74	6,640.72 <td>278.98</td> <td>11,657.10</td> <td>137.00</td> <td>18,297.82</td> <td>137.00</td> <td>18,297.82</td> <td>137.00</td> <td>18,297.82</td> <td>137.00</td> <td>18,297.82</td> <td>137.00</td> <td>18,297.82</td> <td>137.00</td> <td>18,297.82</td> <td>137.00</td> <td>18,297.82</td>	278.98	11,657.10	137.00	18,297.82	137.00	18,297.82	137.00	18,297.82	137.00	18,297.82	137.00	18,297.82	137.00	18,297.82	137.00
Industry	31.00	19,927	6.00	19,927	19,927	348.72	69.74	6,640.72	278.98	11,657.10	137.00	18,297.82	137.00	18,297.82	137.00	18,297.82	137.00	18,297.82	137.00	18,297.82	137.00	18,297.82	137.00	18,297.82
Collectibles/Auctions	31.00	1,198	5.00	1,198	1,198	19.77	3.95	1,835.41	15.81	3,221.86	668.00	5,057.27	668.00	5,057.27	668.00	5,057.27	668.00	5,057.27	668.00	5,057.27	668.00	5,057.27	668.00	5,057.27
Magazines	37.00	19,927	10.00	19,927	19,927	368.65	73.73	4,919.26	3.66	8,635.25	96.00	13,554.50	96.00	13,554.50	96.00	13,554.50	96.00	13,554.50	96.00	13,554.50	96.00	13,554.50	96.00	13,554.50
Retail	14.00	800	2.00	800	800	5.60	1.12	113.41	4.48	83.00	178.02	178.02	178.02	178.02	178.02	178.02	178.02	178.02	178.02	178.02	178.02	178.02	178.02	178.02
Healthcare B2B Education	51.00	401	11.00	401	401	10.63	2.13	240.76	8.50	422.64	163.00	663.40	163.00	663.40</										

Industry	Total Clients (Annual License Fee)	Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband	Image is Displayed	Total GB Served	Master License Agreements	Total Revenue
Collectibles/Auctions	19,000	4,000	20,525	400.24	80.05	7,620.52	320.19	14,344.51	140.00	21,965.03		
Magazines	38,000	5,000	1,234	23.45	4.69	2,174.66	18.76	4,093.48	682.00	6,268.15		
Retail	48,000	12,000	2,278	5.28	1.06	2,952.24	4.23	5,555.75	411.00	8,509.99		
Healthcare B2B Education	49,000	12,000	20,525	502.86	100.57	6,702.15	402.29	12,615.81	98.00	19,317.97		
Modeling	16,000	2,000	824	6.59	1.32	76.20	5.27	143.44	85.00	219.65		
All Others	59,000	6,000	414	12.21	2.44	2,773.38	9.77	522.13	167.00	799.51		
Hotels & Resorts	48,000	5,000										
Total	287,000	38,000	43,800	950.63						49,421.30	5812,500	
Revenue (ex Resorts & Hotels) Resorts & Hotel Revenue	\$239,000	\$87,500	\$131,400	\$0						\$1,303,420	\$812,500	
Total Revenue	\$239,000	\$121,500	\$131,400	\$0						\$1,324,876	\$812,500	\$2,629,276

10th Quarter												
Image Processing						Image Hosting & Serving						
Industry	Total Clients (Annual License Fee)	Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband	Image is Displayed	Total GB Served	Master License Agreements	Total Revenue
Collectibles/Auctions	43,000	4,000	20,936	450.12	90.02	8,560.91	360.10	17,250.55	143.00	25,811.46		
Magazines	44,000	6,000	1,259	27.70	5.54	2,563.95	22.16	5,166.45	696.00	7,730.40		
Retail	42,000	4,000	284	5.96	1.19	333.15	4.77	671.31	420.00	1,004.46		
Healthcare B2B Education	59,000	10,000	20,936	617.61	123.52	8,214.24	494.09	16,552.00	100.00	24,766.24		
Modeling	18,000	2,000	841	7.57	1.51	87.58	6.06	176.48	87.00	264.06		
All Others	65,000	6,000	423	13.75	2.75	312.66	11.00	630.02	171.00	942.68		
Hotels & Resorts	53,000	5,000										
Total	324,000	37,000	44,679	1,122.71						60,519.30	\$437,500	
Revenue (ex Resorts & Hotels) Resorts & Hotel Revenue	\$271,000	\$80,000	\$134,037	\$0						\$1,564,193	\$437,500	
Total Revenue	\$271,000	\$119,000	\$134,037	\$0						\$1,587,884	\$437,500	\$2,549,421

11th Quarter												
Image Processing						Image Hosting & Serving						
Industry	Total Clients (Annual License Fee)	Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband	Image is Displayed	Total GB Served	Master License Agreements	Total Revenue
Collectibles/Auctions	48,000	5,000	21,355	512.52	102.50	9,727.63	410.02	20,951.82	146.00	30,679.45		
Magazines	49,000	5,000	1,285	31.48	6.30	2,905.83	25.19	6,258.72	710.00	9,164.56		
Retail	47,000	5,000	290	6.82	1.36	380.07	5.45	818.62	429.00	1,198.69		
Healthcare B2B Education	68,000	9,000	21,355	726.07	145.21	9,627.69	580.86	20,736.56	102.00	30,364.25		
Modeling	19,000	1,000	858	8.15	1.63	94.31	6.52	203.12	89.00	297.43		
All Others	72,000	7,000	432	15.55	3.11	353.81	12.44	762.05	175.00	1,115.86		
Hotels & Resorts	59,000	6,000										
Total	362,000	38,000	45,575	1,300.59						72,820.23	\$437,500	
Revenue (ex Resorts & Hotels) Resorts & Hotel Revenue	\$303,000	\$80,000	\$136,725	\$0						\$1,844,482	\$437,500	
Total Revenue	\$303,000	\$126,800	\$136,725	\$0						\$1,870,855	\$437,500	\$2,874,880

Revenue Projections - Imaging

Industry	Image Processing				Image Hosting & Serving				Master License Agreements	Total Revenue
	Total Clients (Annual License Fee)	Total Clients This Quarter (Setup Fee)	# of Source Images/Client	Total GB Hosted (2 formats)	GB Hosted for Modem Files	GB Served via Modem	GB Hosted for Broadband Files	GB Served via Broadband		
Collectibles/Auctions	53,000	5,000	21,783	577,250	115,435	10,923,290	461,800	25,114,970	36,038,260	
Magazines	54,000	5,000	1,311	35,400	7,008	3,259,180	28,132	7,493,540	10,752,720	
Retail	52,000	5,000	296	7,700	1,540	428,100	6,160	984,290	1,412,390	
Healthcare B2B Education	75,000	7,000	21,783	816,860	163,370	10,892,860	653,490	25,045,000	35,937,870	
Modeling	20,000	1,000	876	8,760	1,750	101,240	7,010	232,770	334,010	
All Others	80,000	8,000	441	17,640	3,330	401,010	14,110	922,010	1,323,020	
Hotels & Resorts	399,000	37,000	46,490	1,463,610					85,798,270	\$475,000
Total	\$334,000	\$77,500	\$139,470	\$0					\$2,129,742	\$475,000
Revenue (ex Resorts & Hotels)	\$334,000	\$77,500	\$139,470	\$0					\$2,129,742	\$475,000
Resorts & Hotel Revenue	\$46,800	\$46,800							\$29,055	
Total Revenue	\$334,000	\$124,300	\$139,470	\$0					\$2,158,797	\$475,000

Quarter	Annual License Fee	Temp remark:				Total Revenue
		Hotels & Resorts Packages	Image Processing	Master Licensing	Hosting & Serving	
First	\$6,000	\$22,800	\$96,000	\$50,000	\$15,982	\$190,782
Second	\$14,000	\$35,600	\$100,800	\$50,000	\$38,611	\$239,011
Third	\$31,000	\$65,900	\$105,849	\$100,000	\$95,511	\$398,260
Fourth	\$54,000	\$96,500	\$111,150	\$150,000	\$189,451	\$601,101
Fifth	\$89,000	\$157,700	\$116,718	\$387,500	\$356,014	\$1,106,932
Sixth	\$125,000	\$144,600	\$120,228	\$287,500	\$333,959	\$1,211,287
Seventh	\$165,000	\$154,600	\$123,843	\$325,000	\$781,169	\$1,549,612
Eighth	\$206,000	\$172,700	\$127,566	\$412,500	\$1,054,120	\$1,972,886
Ninth	\$239,000	\$121,500	\$131,400	\$812,500	\$1,324,876	\$2,629,276
Tenth	\$271,000	\$119,000	\$134,037	\$437,500	\$1,587,884	\$2,549,421
Eleventh	\$303,000	\$126,800	\$136,725	\$437,500	\$1,870,855	\$2,874,880
Twelfth	\$334,000	\$124,300	\$139,470	\$475,000	\$2,158,797	\$3,231,567
Year One	\$105,000	\$220,800	\$413,799	\$350,000	\$339,555	\$1,429,154
Year Two	\$585,000	\$629,600	\$488,355	\$1,412,500	\$2,725,262	\$5,840,717
Year Three	\$1,147,000	\$491,600	\$541,632	\$2,162,500	\$6,942,412	\$11,285,144

12	2.00%	21,783	2.00%	1,311	2.00%	296	2.00%	21,783	2.00%	876	2.00%	441	n/a	46,490
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Imaging Assumptions

Average Number of Hits per Image														
Quarter	Collectibles/Auctions		Magazines		Retail		Healthcare B2B Education		Modeling & Casting		All Others		Hotels & Resorts	
	Growth Factor	Avg. # of Hits per Image	Growth Factor	Avg. # of Hits per Image	Growth Factor	Avg. # of Hits per Image	Growth Factor	Avg. # of Hits per Image	Growth Factor	Avg. # of Hits per Image	Growth Factor	Avg. # of Hits per Image	Growth Factor	Avg. # of Hits per Image
1		100		500		300		70		60		120		100
2	5.00%	105	5.00%	525	5.00%	315	5.00%	74	5.00%	63	5.00%	126	5.00%	105
3	5.00%	111	5.00%	552	5.00%	331	5.00%	78	5.00%	67	5.00%	133	5.00%	111
4	5.00%	117	5.00%	580	5.00%	348	5.00%	82	5.00%	71	5.00%	140	5.00%	117
5	3.50%	122	3.50%	601	3.50%	361	3.50%	85	3.50%	74	3.50%	145	3.50%	122
6	3.50%	127	3.50%	623	3.50%	374	3.50%	88	3.50%	77	3.50%	151	3.50%	127
7	3.50%	132	3.50%	645	3.50%	388	3.50%	92	3.50%	80	3.50%	157	3.50%	132
8	3.50%	137	3.50%	668	3.50%	402	3.50%	96	3.50%	83	3.50%	163	3.50%	137
9	2.00%	140	2.00%	682	2.00%	411	2.00%	98	2.00%	85	2.00%	167	2.00%	140
10	2.00%	143	2.00%	696	2.00%	420	2.00%	100	2.00%	87	2.00%	171	2.00%	143
11	2.00%	146	2.00%	710	2.00%	429	2.00%	102	2.00%	89	2.00%	175	2.00%	146
12	2.00%	149	2.00%	725	2.00%	438	2.00%	105	2.00%	91	2.00%	179	2.00%	149

Override % when >0

# of IML clients expressed as a % of Full-Service Clients	
Year	% of Clients
1	10.00%
2	10.00%
3	10.00%
4	10.00%
5	12.00%
6	12.00%
7	12.00%
8	12.00%
9	14.00%
10	14.00%
11	14.00%
12	14.00%

Bandwidth Costs		
Quarter	Quarterly Discount	Quarterly Hosting Charge
	1	\$0.00
2	\$0.00	\$30.38
3	\$0.00	\$29.77
4	\$0.00	\$29.18
5	\$0.00	\$28.59
6	\$0.00	\$28.02
7	\$0.00	\$27.46
8	\$0.00	\$26.91
9	\$0.00	\$26.37
10	\$0.00	\$25.85
11	\$0.00	\$25.33
12	\$0.00	\$24.82

Broadband vs. Modem Serving Ratio		
Modem Size	Broadband Size	
Percentage of Total Served	Percentage of Total Served	
1	80.00%	20.00%
2	78.50%	21.50%
3	77.00%	23.00%
4	75.50%	24.50%
5	74.00%	26.00%
6	72.50%	27.50%
7	71.00%	29.00%
8	69.50%	30.50%
9	68.00%	32.00%
10	66.50%	33.50%
11	65.00%	35.00%
12	63.50%	36.50%

Production Labor

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Total
Salaries	\$26,250.00	\$26,250.00	\$26,250.00	\$26,250.00	\$28,750.00	\$29,750.00	\$29,750.00	\$29,750.00	\$32,375.00	\$32,375.00	\$32,375.00	\$32,375.00	\$353,500.00
VP Operations	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$20,625.00	\$20,625.00	\$20,625.00	\$20,625.00	\$22,687.50	\$22,687.50	\$22,687.50	\$22,687.50	\$248,250.00
Production Manager	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$20,625.00	\$20,625.00	\$20,625.00	\$20,625.00	\$22,687.50	\$22,687.50	\$22,687.50	\$22,687.50	\$248,250.00
Data Manager LA	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$20,625.00	\$20,625.00	\$20,625.00	\$20,625.00	\$22,687.50	\$22,687.50	\$22,687.50	\$22,687.50	\$248,250.00
Data Manager NY	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$20,625.00	\$20,625.00	\$20,625.00	\$20,625.00	\$22,687.50	\$22,687.50	\$22,687.50	\$22,687.50	\$248,250.00
Data Manager CH	\$18,750.00	\$18,750.00	\$18,750.00	\$18,750.00	\$20,625.00	\$20,625.00	\$20,625.00	\$20,625.00	\$22,687.50	\$22,687.50	\$22,687.50	\$22,687.50	\$248,250.00
Network Manager	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$19,500.00	\$19,500.00	\$19,500.00	\$19,500.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,000.00	\$234,000.00
Network Manager	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$19,500.00	\$19,500.00	\$19,500.00	\$19,500.00	\$21,000.00	\$21,000.00	\$21,000.00	\$21,000.00	\$234,000.00
Production 1	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$12,500.00	\$12,500.00	\$12,500.00	\$12,500.00	\$13,750.00	\$13,750.00	\$13,750.00	\$13,750.00	\$151,250.00
Production 2	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$160,000.00
Production 3	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$160,000.00
Production 4	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$160,000.00
Production 5	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$160,000.00
Production 6	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$160,000.00
Production 7	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$160,000.00
production 8	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$160,000.00
scheduler	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$160,000.00
production 9	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$160,000.00
production 10	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$160,000.00
production 11	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$160,000.00
Production Supervisor	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$182,500.00
production 12	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$96,000.00
production 13	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$96,000.00
production 14	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$96,000.00
production 15	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$96,000.00
production 16	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$96,000.00
production 17	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$96,000.00
production 18	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$96,000.00
production 19	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$96,000.00
production 20	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$96,000.00
Production Supervisor - 2	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$195,000.00
production 21	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$96,000.00
production 22	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$96,000.00
production 23	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$96,000.00
production 24	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$96,000.00
production 25-50	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$195,000.00
Production Supervisor - 3	\$12,739.29	\$12,985.71	\$13,091.79	\$13,208.46	\$13,404.31	\$13,545.49	\$13,700.79	\$13,871.62	\$14,130.89	\$14,337.59	\$14,564.97	\$14,815.08	\$164,395.99
Production 51-75	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$130,000.00
Hardware Tech	\$11,718.50	\$11,718.50	\$11,718.50	\$11,718.50	\$12,500.00	\$12,500.00	\$12,500.00	\$12,500.00	\$12,500.00	\$12,500.00	\$12,500.00	\$12,500.00	\$143,750.00
Programmer Java	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$195,000.00
Quality Manager	\$21,000.00	\$21,000.00	\$21,000.00	\$21,000.00	\$22,000.00	\$22,000.00	\$22,000.00	\$22,000.00	\$22,000.00	\$22,000.00	\$22,000.00	\$22,000.00	\$266,000.00
Research Tools	\$12,985.71	\$12,985.71	\$13,091.79	\$13,208.46	\$13,404.31	\$13,545.49	\$13,700.79	\$13,871.62	\$14,130.89	\$14,337.59	\$14,564.97	\$14,815.08	\$174,395.99
Occupancy & Utilities	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$58,220.28
Occupancy & Utilities	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$58,220.28
Occupancy & Utilities	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$4,851.69	\$58,220.28
Image operator	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$180,000.00
Image operator	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$180,000.00
Capital Equipment **	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$720,000.00
Contract Work	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$48,000.00
Photo Contract Services	\$239,957.79	\$319,107.79	\$420,857.79	\$454,874.50	\$597,410.31	\$625,801.49	\$803,950.79	\$1,114,871.62	\$1,406,499.28	\$1,679,062.68	\$1,804,017.43	\$1,845,767.65	\$11,312,279.14
Total	\$ (15,000.00)	\$ (15,000.00)	\$ (60,000.00)	\$ (40,000.00)	\$ (60,000.00)	\$ (40,000.00)	\$ (80,000.00)	\$ (200,000.00)	\$ (150,000.00)	#####	\$ (200,000.00)	\$ (200,000.00)	\$ (1,260,000.00)
less: Fixed Assets **	\$4,950.00	\$3,712.50	\$9,900.00	\$3,300.00	\$19,800.00	\$9,900.00	\$13,200.00	\$16,500.00	\$49,500.00	\$49,500.00	\$33,000.00	\$16,500.00	\$ 229,762.50
add: Depreciation	\$228,907.79	\$307,820.29	\$370,757.79	\$418,274.50	\$557,210.31	\$595,701.49	\$737,150.79	\$931,371.62	\$1,305,999.28	\$1,528,562.68	\$1,637,017.43	\$1,662,267.65	\$10,282,041.64
Adjusted Total	\$127,100.00	\$138,532.50	\$86,975.00	\$170,702.50	\$342,210.00	\$309,575.00	\$390,095.00	\$307,210.00	\$711,070.00	\$605,902.50	\$679,930.00	\$671,515.00	\$ 4,540,817.50
Prod Network Support Total													

Totals for Production costs

\$357,007.79

\$446,352.79

\$457,732.79

\$588,977.00

\$899,420.31

\$905,276.49

\$1,127,245.79

\$1,238,581.62

\$2,017,069.28

\$2,134,465.18

\$2,316,947.43

\$2,333,782.05

\$14,822,859.14

Production Requirements and Expense

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Total
Gig Stored	18.2	37.7	59.1	83.2	130.51	182.9	264	377.7	528.4	721.5	991.2	1377.07	
Gig Served	426.8	958.2	1632.3	2493.7	4239	6416.5	9974.9	15466.8	23372.2	34365	50867.9	76258.1	
Server Costs **	\$30,000.00	\$20,000.00	\$60,000.00	\$40,000.00	\$20,000.00	\$15,000.00	\$450,000.00	\$35,000.00	\$400,000.00	\$10,000.00	\$10,000.00	\$150,000.00	\$1,240,000.00
Storage Costs **	\$2,000.00	\$15,000.00	\$15,000.00	\$100,000.00	\$5,000.00	\$100,000.00	\$100,000.00	\$50,000.00	\$150,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$672,000.00
Bandwidth Cost	\$60,000.00	\$60,000.00	\$60,000.00	\$72,000.00	\$73,500.00	\$73,500.00	\$73,500.00	\$73,500.00	\$90,000.00	\$108,000.00	\$124,000.00	\$124,000.00	\$992,000.00
Misc Hdw **	\$15,000.00	\$12,000.00	\$25,000.00	\$12,000.00	\$35,000.00	\$12,000.00	\$35,000.00	\$5,000.00	\$25,000.00	\$25,000.00	\$7,000.00	\$12,000.00	\$220,000.00
Cache/Routers**	\$42,000.00	\$42,000.00	\$62,000.00	\$62,000.00	\$64,000.00	\$74,000.00	\$74,000.00	\$74,000.00	\$74,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$766,000.00
Video Streaming													
Band width													
incremental	\$8,000.00	\$16,000.00	\$22,000.00	\$22,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$72,000.00	\$72,000.00	\$124,000.00	\$124,000.00	\$700,000.00
Storage **	\$5,000.00	\$10,000.00	\$12,000.00	\$12,000.00	\$100,000.00	\$20,000.00	\$20,000.00	\$60,000.00	\$200,000.00	\$100,000.00	\$20,000.00	\$15,000.00	\$542,000.00
incremental													
Bandwidth	\$16,000.00	\$16,000.00	\$18,000.00	\$28,800.00	\$28,800.00	\$38,400.00	\$38,400.00	\$38,400.00	\$100,000.00	\$150,000.00	\$200,000.00	\$200,000.00	\$900,000.00
Facilities LA	\$15,000.00	\$15,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$24,000.00	\$24,000.00	\$24,000.00	\$24,000.00	\$24,000.00	\$240,000.00
Other Locations													
Office Equipment **	\$18,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$5,000.00	\$5,000.00	\$98,000.00
office Other	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,500.00	\$5,500.00	\$5,500.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$65,500.00
Totals	\$174,000.00	\$204,000.00	\$183,000.00	\$369,800.00	\$494,300.00	\$407,400.00	\$960,400.00	\$516,400.00	\$1,233,000.00	\$861,000.00	\$882,000.00	\$1,022,000.00	\$7,307,300.00
less: Fixed Assets **	(70,000.00)	(87,000.00)	(115,000.00)	(217,000.00)	(227,000.00)	(130,000.00)	(683,000.00)	(228,000.00)	(779,000.00)	(339,000.00)	(242,000.00)	(382,000.00)	(3,489,000.00)
add: Depreciation	\$23,100.00	\$21,532.50	\$18,975.00	\$17,902.50	\$74,910.00	\$32,175.00	\$112,695.00	\$18,810.00	\$257,070.00	\$83,902.50	\$39,930.00	\$31,515.00	732,517.50
Adjusted Total	\$127,100.00	\$138,532.50	\$86,975.00	\$170,702.50	\$342,210.00	\$309,575.00	\$390,095.00	\$307,210.00	\$711,070.00	\$605,902.50	\$679,930.00	\$671,515.00	\$4,540,817.50

Network Support

	Year 2						Year 3						
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Total
Internal Network Support	\$11,250.00	\$11,250.00	\$11,250.00	\$11,250.00	\$12,750.00	\$12,750.00	\$12,750.00	\$12,750.00	\$13,875.00	\$13,875.00	\$13,875.00	\$13,875.00	\$121,500.00
Data Manager	\$16,250.00	\$16,250.00	\$16,250.00	\$16,250.00	\$17,875.00	\$17,875.00	\$17,875.00	\$17,875.00	\$19,000.00	\$19,000.00	\$19,000.00	\$19,000.00	\$180,000.00
Network Manager	\$13,000.00	\$13,000.00	\$13,000.00	\$13,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$17,000.00	\$17,000.00	\$17,000.00	\$17,000.00	\$151,874.00
Programmer Java	\$11,718.50	\$11,718.50	\$11,718.50	\$11,718.50	\$12,750.00	\$12,750.00	\$12,750.00	\$12,750.00	\$13,500.00	\$13,500.00	\$13,500.00	\$13,500.00	\$115,874.00
Capital	\$55,000.00	\$65,000.00	\$65,000.00	\$65,000.00	\$85,000.00	\$85,000.00	\$85,000.00	\$85,000.00	\$45,000.00	\$90,000.00	\$10,000.00	\$10,000.00	\$536,000.00
Internal Bandwidth	\$8,000.00	\$8,000.00	\$12,000.00	\$12,000.00	\$14,000.00	\$14,000.00	\$14,000.00	\$14,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$168,000.00
Total	\$115,218.50	\$125,218.50	\$64,218.50	\$149,218.50	\$97,375.00	\$132,375.00	\$157,375.00	\$78,375.00	\$126,375.00	\$171,375.00	\$91,375.00	\$91,375.00	\$1,248,374.00
Marketing Allocation	\$74,892.03	\$61,392.03	\$41,742.03	\$96,992.03	\$63,293.75	\$86,043.75	\$102,293.75	\$50,943.75	\$82,143.75	\$111,393.75	\$59,393.75	\$59,393.75	\$909,918.10
Corporate Allocation	\$28,804.63	\$31,304.63	\$16,054.63	\$37,304.63	\$24,343.75	\$33,093.75	\$39,343.75	\$19,593.75	\$31,593.75	\$42,843.75	\$22,843.75	\$22,843.75	\$349,968.50
R&D Allocation	\$11,522	\$12,522	\$6,422	\$14,922	\$9,738	\$13,238	\$15,738	\$7,838	\$12,638	\$17,138	\$9,138	\$9,138	\$139,987.40
	\$115,218.50	\$125,218.50	\$64,218.50	\$149,218.50	\$97,375.00	\$132,375.00	\$157,375.00	\$78,375.00	\$126,375.00	\$171,375.00	\$91,375.00	\$91,375.00	\$1,399,874.00