

# SCHIFFRIN & BARROWAY, LLP

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° ADMITTED IN NJ  
\* ALSO ADMITTED IN CA  
\* ALSO ADMITTED IN DE  
\* ALSO ADMITTED IN IL  
\* ALSO ADMITTED IN NJ  
° ALSO ADMITTED IN NY

July 15, 2003

**Via Electronic Mail and Federal Express**

Flaster Greenberg  
Commerce Center  
1810 Chapel Avenue West  
Cherry Hill, NJ 08002  
Attention: Marc R. Garber, Esq.

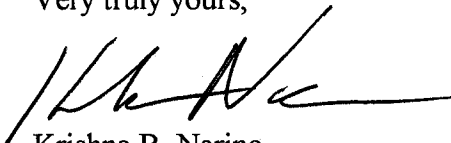
Dear Marc:

As we discussed earlier, it is acknowledged that our law firm's retirement plan was administered by MPDA, formerly an affiliate of Flaster Greenberg. We also acknowledge that in the MPDA engagement letter our law firm also engaged Flaster Greenberg for legal work related to the retirement plan.

Several months ago Flaster Greenberg sold the MPDA business, with the result of a company called Manchester (unrelated to Flaster Greenberg) taking over the plan administration work of our retirement plan. Thus, we hereby acknowledge that we are a former client and not a current client of Flaster Greenberg.

While we don't believe there to be a conflict, we hereby consent to Flaster Greenberg's representation of Iviewit with respect to the Letter of Understanding with Schiffrin & Barroway, LLP.

Very truly yours,



Krishna B. Narine

cc: Eliot Bernstein

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<sup>◊</sup> ALSO ADMITTED IN NY

Tuesday, July 15, 2003

## Via Electronic Mail and Federal Express

Eliot Bernstein  
CEO and Founder  
Iviewit Holdings, Inc.  
10158 Stonehenge Circle  
Suite 801  
Boynton Beach, FL 33437-3546

Re: Iviewit and Schiffrin & Barroway, LLP - Letter of Understanding

Dear Eliot:

In response to the proposal set forth in your letter of July 6, 2003, and with consideration of our conversation on July 7, 2003, Schiffrin & Barroway, LLP ("SB") proposes the following terms which will become effective as of the date this letter is signed by both parties. SB will make a capital contribution to a newly formed entity ("NewCo") that will acquire ownership of the "Iviewit Patents". SB will make additional capital contributions and loans to NewCo and Iviewit Holdings, Inc. ("Iviewit") in the form of the contribution of legal services and payment of legal fees owing to patent counsel and other counsel. SB will make the payment of expenses related to the operation of NewCo and Iviewit Holdings, Inc. to, *inter alia*, prosecute and develop the Iviewit Patents, prosecute infringers of the Iviewit Patents, and prosecute and defend Iviewit and NewCo against claims by and between Iviewit Holdings, Inc., its subsidiaries and affiliates and its former officers, directors and attorneys:

1. SB will purchase for a \$100,000 capital contribution a 21% voting membership interest in NewCo, a newly formed limited liability company, subject to NewCo's entering into an agreement to purchase from Crossbow/DiStream its interests in Iviewit, including Crossbow/DiStream's debt claims and security interests in all assets of Iviewit and NewCo's acquisition of ownership of the "Iviewit Patents."
2. In consideration of the other commitments described hereafter, SB will receive an additional 24% voting membership interest in NewCo and, by assignment from existing shareholders, 21% of voting equity shares in Iviewit.

3. In further consideration of foregoing grants of membership and stock assignments by NewCo, SB shall provide the following services and assume the following obligations for NewCo and Iviewit:
  - a. Retain, assist and compensate patent counsel for all costs and expenses (acknowledging the funding of the estimated minimum cost of approximately \$250,000), to correct and prosecute all of Iviewit's pending U.S. and foreign patent applications, and to obtain valid U.S. and foreign patents for Iviewit's proprietary technology and inventions;
  - b. Prosecute to judgment or settle malpractice and other claims against Proskauer Rose LLP, Foley and Lardner, and Meltzer, Lippe, Goldstein, Wolfe & Schlissel, P.C., including the payment of all necessary costs and expenses, provided, however, that NewCo or Iviewit, as the case may be, will be responsible for payment of such costs and expenses incurred after monies are recovered and received pursuant to paragraph 5, and are available for such use as determined solely by the CEO or Board taking into account the attached operating budget and cash needs of Iviewit and NewCo for business operations purposes, as determined solely by the CEO or Board;
  - c. Prosecute actions to enjoining and recover damages for unauthorized use of Iviewit's proprietary technology and inventions and obtain compensation for use of the same through enforcement of existing Non-Disclosure Agreements and prosecution of patent infringement actions, including payment of all necessary costs and expenses, provided, however, that NewCo or Iviewit, as the case may be, will be responsible for payment of such costs and expenses incurred after monies are recovered and received pursuant to paragraph 5, and are available for such use as determined solely by the CEO or Board taking into account the attached operating budget and cash needs of Iviewit and NewCo for business operations purposes, as determined solely by the CEO or Board;
  - d. It is contemplated that the operating expenses of NewCo and Iviewit shall be funded through the proceeds of recoveries on the claims described in 3.b. above; provided, however that if such proceeds are not available, SB agrees to contribute capital to NewCo and Iviewit to pay ordinary operating expenses as set forth in the attached budget, which shall include actual legal fees and costs for effecting transfer of title to Iviewit patents to NewCo and creating NewCo. Notwithstanding the foregoing, SB shall not be responsible to provide operating expenses if such operating requirements are available through the NewCo and Iviewit revenues. Iviewit shall be maintained as an entity to pursue the claims described in paragraph 3.b. above; and

Letter to Eliot Bernstein

July 15, 2003

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- e. Prosecute actions to recover the 15% of Iviewit stock from certain individuals, to be identified by Iviewit, who were involved in malfeasance against the company, of which 33-1/3% will go to SB and 66-2/3% will be split in the following manner:

Eliot I. Bernstein - 40% of 66%

Isa S. Welsch - 25% of 66%

Caroline Prochotska Rogers, Esq. -25% of 66%

Other Shareholders - 10% of 66%

4. SB shall have full authority with respect to prosecution and resolution of the claims set forth in paragraph 3.b. above, including Proskauer Rose LLP's lawsuit for non-payment of legal fees, and with respect to the engagement of legal counsel and consultants, whether such claims are prosecuted and resolved through negotiation, litigation, or any other method SB deems appropriate.
5. All proceeds received from the resolution of the claims set forth in paragraph 3.b. or 3.c. will be distributed to Iviewit and NewCo, less any contingent fee not to exceed 33% owed to any law firm, other than SB, retained to pursue such claims.

The undersigned with due authority to bind Schiffrin & Barroway, LLP and Iviewit Holdings, Inc. respectively, have executed this document on this day of July 15, 2003.

Krishna B. Narine  
X  
Partner  
Schiffrin & Barroway, LLP

Eliot I. Bernstein  
X  
CEO and Founder  
Iviewit Holdings, Inc.

MEWBT HOLDINGS, INC.  
OPERATING BUDGET

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year 1	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year 2	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year 3
Schedule (1)	\$53,875	\$53,875	\$90,625	\$90,625	\$369,000	\$92,033	\$92,033	\$92,033	\$92,033	\$368,130	\$93,501	\$93,501	\$93,501	\$93,501	\$413,623
Facilities Expense (2)	0	0	9,472	9,472	18,944	9,756	9,756	9,756	9,756	38,026	10,049	10,049	10,759	10,759	41,616
Marketing:															
Conventions & Exhibits (2)	0	0	6,250	6,250	12,500	6,250	6,250	6,250	6,250	25,000	6,250	6,250	6,250	6,250	25,000
Other Marketing	0	0	4,250	4,250	8,500	5,375	5,375	5,375	5,375	21,500	5,375	5,375	5,375	5,375	21,500
Insurance (Property, D&O, E&O, W/C, L&B)	1,242	1,488	1,947	2,408	7,082	2,678	3,347	3,816	4,282	14,365	4,763	5,249	5,812	6,743	22,558
Communication Costs	2,000	0	0	0	2,000	0	0	0	0	0	0	0	0	0	0
Legal and Accounting (3)	6,000	6,000	6,000	6,000	24,000	2,500	2,500	2,500	2,500	10,000	2,500	2,500	2,500	2,500	10,000
Travel & Living (2)	0	0	8,000	8,000	16,000	8,000	8,000	8,000	8,000	32,000	8,000	8,000	8,000	8,000	32,000
Office Supplies	250	250	250	250	1,000	250	250	250	250	1,000	250	250	250	250	1,000
Telephones (Cell and Land Lines)	1,600	1,600	1,600	1,600	6,400	1,600	1,600	1,600	1,600	6,400	1,600	1,600	1,600	1,600	6,400
Agency Fee for CEO Recruitment (4)	10,000	0	0	0	10,000	0	0	0	0	0	0	0	0	0	0
Operating Total	\$74,967	\$83,310	\$118,394	\$118,855	\$375,427	\$118,642	\$119,111	\$119,580	\$120,049	\$477,382	\$122,288	\$122,765	\$124,047	\$204,595	\$573,697
Other Key Items:															
Payables to Bahaiyah Scheibel Taylor & Zeffman (5)	\$6,345	\$6,345	\$6,345	\$6,345	\$25,380	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payables to Armstrong Hirsch-Jackoway Tyerman & Wertheimer (6)	10,370	10,370	10,370	10,370	41,482	0	0	0	0	0	0	0	0	0	0
Payables to Steven M. Satz, Esq. handling Florida litigation (7)	12,000	0	12,134	12,134	48,535	0	0	0	0	0	0	0	0	0	0
Payables to Intel & Marlene (8)	\$40,849	\$28,849	\$28,849	\$28,849	\$127,395	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Operating Total	\$115,817	\$92,058	\$147,243	\$147,705	\$502,824	\$118,642	\$119,111	\$119,580	\$120,049	\$477,382	\$122,288	\$122,765	\$124,047	\$204,595	\$573,697
Total	\$115,817	\$92,058	\$147,243	\$147,705	\$502,824	\$118,642	\$119,111	\$119,580	\$120,049	\$477,382	\$122,288	\$122,765	\$124,047	\$204,595	\$573,697
Comulative	\$115,817	\$207,875	\$355,119	\$502,824	\$502,824	\$621,466	\$740,577	\$860,157	\$980,206	\$980,206	\$1,102,494	\$1,225,259	\$1,349,307	\$1,553,903	\$1,553,903

- Notes:
- (1) Includes Fringes as 30% of Total Payroll.
  - (2) Assumes successful patent re-writes are completed by end of 2nd Quarter.
  - (3) Represents Delaware corporate expenses, tax filings, future Florida litigation expenses.
  - (4) Key payments to continue contact with Ted Leonals and AOL.
  - (5) Key payments to answer PCT Office Actions.
  - (6) Key payments to explain introduction to major motion picture studios
  - (7) Key payments to continue Florida litigation.
  - (8) Key payments to explain introduction to major motion picture studios.