

08-29-2001



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U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

Form PTO-1594  
(Rev. 03/01)  
OMB No. 0651-0027 (exp. 5/31/2002)  
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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

<p>1. Name of conveying party(ies): WorldMark, The Club <i>08/22/01</i></p> <p><input type="checkbox"/> Individual(s)                      <input type="checkbox"/> Association  <input type="checkbox"/> General Partnership              <input type="checkbox"/> Limited Partnership  <input type="checkbox"/> Corporation-State  <input checked="" type="checkbox"/> Other <u>California Nonprofit Mutual-Benefit Corporation</u></p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies) Name: <u>Trendwest Resorts, Inc.</u> Internal Address: _____ Street Address: <u>9805 Willows Road</u> City: <u>Redmond</u> State: <u>WA</u> Zip: <u>98052</u></p> <p><input type="checkbox"/> Individual(s) citizenship _____  <input type="checkbox"/> Association _____  <input type="checkbox"/> General Partnership _____  <input type="checkbox"/> Limited Partnership _____  <input checked="" type="checkbox"/> Corporation-State <u>Oregon</u>  <input type="checkbox"/> Other _____</p> <p><small>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No (Designations must be a separate document from assignment) Additional name(s) &amp; address(es) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</small></p>
<p>3. Nature of conveyance:  <input checked="" type="checkbox"/> Assignment                      <input type="checkbox"/> Merger  <input type="checkbox"/> Security Agreement              <input type="checkbox"/> Change of Name  <input type="checkbox"/> Other _____</p> <p>Execution Date: <u>March 31, 1997</u></p>	<p>4. Application number(s) or registration number(s):</p> <p>A. Trademark Application No.(s) B. Trademark Registration No.(s) <u>1,940,673</u></p> <p>Additional number(s) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>5. Name and address of party to whom correspondence concerning document should be mailed: Name: <u>Erin P. Snodgrass</u> <u>Cairncross &amp; Hempelmann, P.S.</u> Internal Address: _____ _____ _____ Street Address: <u>524 Second Avenue,</u> <u>Suite 500</u> City: <u>Seattle</u> State: <u>WA</u> Zip: <u>98104</u></p>	<p>6. Total number of applications and registrations involved: ..... <span style="border: 1px solid black; padding: 2px;">1</span></p> <p>7. Total fee (37 CFR 3.41).....\$ <u>40.00</u>  <input checked="" type="checkbox"/> Enclosed  <input type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number: _____</p> <p>(Attach duplicate copy of this page if paying by deposit account)</p>
<b>DO NOT USE THIS SPACE</b>	
<p>9. Statement and signature. <i>To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.</i> Erin P. Snodgrass</p> <p>_____ Name of Person Signing</p> <p><i>Erin P. Snodgrass</i> _____ Signature</p> <p><u>8/20/01</u> _____ Date</p> <p style="text-align: right;">Total number of pages including cover sheet, attachments, and document: <span style="border: 1px solid black; padding: 2px;">1</span></p>	

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patent & Trademarks, Box Assignments  
Washington, D.C. 20231

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TRADEMARK  
REEL: 002357 FRAME: 0799

## SERVICE MARK ASSIGNMENT AGREEMENT

This Service Mark Assignment Agreement (this "Agreement") is entered into as of the 31<sup>ST</sup> day of MARCH, 1997, by and between WorldMark, The Club, a California nonprofit mutual-benefit corporation ("WorldMark") and Trendwest Resorts, Inc., an Oregon corporation ("Trendwest"). WorldMark and Trendwest will be referred to collectively as the "Parties."

### RECITALS

- A. WorldMark is a vacation ownership club whose members collectively own WorldMark properties and receive vacation credits, which they can exchange for available time at any WorldMark property.
- B. Trendwest is the developer, exclusive marketing agent and manager of WorldMark. As such, Trendwest arranged for the registration of the mark, "WORLDMARK", which was registered on December 12, 1995 with the United States Patent and Trademark Office, Registration Number 1,940,673, and on June 25, 1996 with the California Secretary of State, Registration Number 046198 (the "Service Mark"). WorldMark is the registered owner of the Service Mark.
- C. Since January 1, 1993, Trendwest has used the Service Mark in interstate commerce, in connection with advertising, promoting and selling WorldMark memberships, and because Trendwest has invested millions of dollars in doing so, it is keenly interested in policing and protecting the value of the Service Mark.
- D. Since Trendwest began using the Service Mark, there have been several instances of concurrent and unauthorized use of the term "Worldmark" by others, some of which resulted in the likelihood of confusion with the Service Mark. To prevent confusion and stop potential infringement of WorldMark's registered mark, Trendwest has taken immediate, firm legal action on behalf of WorldMark to police the Service Mark, including filing lawsuits seeking injunctions and damages. The cost of policing WorldMark's Service Mark and pursuing infringement lawsuits has been substantial and is expected to be substantial in the future.
- E. Because WorldMark is the owner of the Service Mark, any lawsuits or other legal action to police the Service Mark presently must be brought in WorldMark's name. As a consequence, the defendants in such service mark infringement lawsuits may choose to assert counterclaims against WorldMark, and thus there is always the potential that WorldMark would be exposed to claims for damages or injunctive relief. Consequently, WorldMark desires to avoid the ongoing risk of counterclaims that necessarily accompanies Trendwest's efforts to police and enforce WorldMark's registered service mark rights by assigning its interests in the Service Mark to Trendwest.

F. Because control of the Service Mark is essential to Trendwest's ability to provide WorldMark with properties, and it is WorldMark's desire to continue to receive additional properties from Trendwest into its resort property holdings, WorldMark desires to assign all rights, title and interests it has in the Service Mark to Trendwest.

G. WorldMark desires to assign all rights, title and interests it has in the Service Mark and Trendwest desires to obtain by assignment such rights, title and interests.

## TERMS OF AGREEMENT

For the mutual benefits recited above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, WorldMark and Trendwest agree as follows:

1. **Assignment.** WorldMark hereby assigns to Trendwest all rights, title and interest in and to the Service Mark, together with the goodwill of the business symbolized by the mark and the above-mentioned registrations thereto.

2. **Governing Law and Forum.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, except to the extent preempted by the laws of the United States. The Parties agree that the exclusive jurisdiction and venue of any lawsuit or other legal proceeding between the parties arising out of this Agreement shall be the federal or state courts located in King County, Washington, and each party hereby submits itself to the exclusive jurisdiction and venue of those courts for the purpose of any lawsuit. In the event both state and federal courts would have concurrent jurisdiction over a lawsuit between the Parties, the Parties hereby agree to file the lawsuit in the United States District Court for Washington at Seattle.

3. **Attorneys' Fees.** In the event that any litigation or other formal dispute resolution proceeding should arise out of this Agreement, the substantially prevailing party shall be entitled to reimbursement from the other party of reasonable fees and expenses associated with such action or proceeding, including without limitation attorneys' fees and expert witness fees.

4. **Severability.** In the event that any provision of this Agreement is determined to be invalid or unenforceable for any reason, such provision shall be deemed inoperative only to the extent that it violates or conflicts with law or public policy, and such provision shall be deemed modified to the extent necessary to conform thereto. All other provisions shall remain in full force and effect.

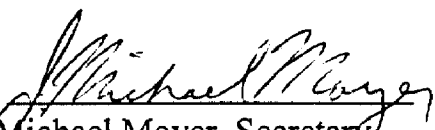
5. **Waiver.** No delay or failure of either party to enforce any right hereunder in the event of a breach or default by the other party shall be deemed a waiver of such right with respect to the same or any subsequent breach or default.

6. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective affiliates, licensees, successors and assigns.

7. **Reassignment of Service Mark.** Should an event arise resulting in the termination of the Vacation Owner Program ("Program"), which Program is intended to have a perpetual duration, Trendwest agrees that it will, at the request of WorldMark, reassign the Service Mark to WorldMark.

DATED AND EFFECTIVE as of the date first written above.

WORLDMARK, THE CLUB

by   
J. Michael Moyer, Secretary

TRENDWEST RESORTS, INC.

by   
William F. Peare, President

STATE OF WASHINGTON )  
 )  
 ) SS  
COUNTY OF KING )

On this 31st day of March, 1999, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared

J. Michael Moyer to me known to be the Secretary of WorldMark, The Club the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

Witness my hand and official seal hereto affixed the day and year first above written.



Marianne M. Kuehnell  
Notary Public in and for the State of Washington, residing at King County.  
My commission expires: 10/09/00.

STATE OF WASHINGTON )  
 )  
 ) SS  
COUNTY OF KING )

On this 31st day of March, 1997, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared

William F. Peare to me known to be the President of Trendwest Resorts, Inc. the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

Witness my hand and official seal hereto affixed the day and year first above written.



Marianne M. Kuehnell  
Notary Public in and for the State of Washington, residing at King County.  
My commission expires: 10/09/00.