

03-05-2008

S. DEPARTMENT OF COMMERCE  
States Patent and Trademark Office



2-11-08

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To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):

NIKKO MEDIA CENTER, LLC

- Individual(s)
- General Partnership
- Corporation- State:
- Other: LLC
- Association
- Limited Partnership

Citizenship (see guidelines) UNITED STATES

Additional names of conveying parties attached?  Yes  No

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached?  Yes  No

Name: PRECISE PRINTING, INC.

Internal Address: ~~NIKKO MEDIA CENTER, LLC~~

Street Address: 1130 NW 55th RD

City: SEATTLE

State: WA

Country: USA

Zip: 98107

- Association
- General Partnership
- Limited Partnership
- Corporation
- Other

Citizenship UNITED STATES  
If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
(Designations must be a separate document from assignment)

3. Nature of conveyance / Execution Date(s) :

Execution Date(s) 11-1-2007

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No. (s)

B. Trademark Registration No.(s)

1,953,497

Additional sheet(s) attached?  Yes  No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

NIKKO

5. Name & address of party to whom correspondence concerning document should be mailed:

Name: PATRICK J. MONKS

Internal Address:

Street Address: 1200 WESTERN AVE,  
APT 908

City: SEATTLE, WA

State: Zip: 98101

Phone Number: (206)343-0942

Fax Number: (206)624-4740

Email Address: sales@nikkocmedia.com

6. Total number of applications and registrations involved:

1

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 40<sup>00</sup>

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers  
Expiration Date

b. Deposit Account Number  
Authorized User Name

9. Signature:

*Patrick J. Monks* signature  
PATRICK J. MONKS  
Name of Person Signing

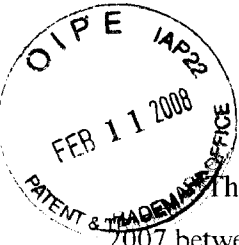
Date: 10/5/2007

Total number of pages including cover sheet, attachments, and document:

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

Exhibit C

copy



PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("Agreement") is made this 1<sup>ST</sup> day of NOVEMBER 2007 between and among Precise Printing, Inc. ("**BUYER**"), Nikko Media Center, LLC ("**SELLER**"), and Patrick J. Monks and Zepha L. Monks (collectively "**MONKS**").

**I. PURCHASE OF ASSETS**

**BUYER** agrees to acquire, and **SELLER** agrees to sell, the following assets of **SELLER**: (1) equipment (as set forth in Exhibit A attached hereto and incorporated herein by this reference); (2) licensing and software (as set forth in Exhibit B attached hereto and incorporated herein by this reference); (3) trademark, trade names, customer lists and goodwill and certain other intangibles (as set forth in Exhibit C attached hereto and incorporated herein by this reference); (4) covenant not to compete; and (5) inventory and supplies (as set forth in Exhibit D attached hereto and incorporated herein by this reference (together referred to as the "Assets").

The Assets do not include cash on **SELLER'S** business premises or in bank accounts; lease damage deposit; accounts receivable; personal property used in the operation of **SELLER'S** business but owned by individuals; or **SELLER'S** work in process as of the date of Closing (as defined herein) that is (a) complete but not delivered to the customer, (b) complete but has not been invoiced to or paid for by the customer, or (c) the printing of which is complete but final processing, such as binding (whether by **SELLER** or a third party) has not been completed. **BUYER** shall not be entitled to receive any income from such work in process. To the extent **BUYER** receives any income from such work in process, **BUYER** shall promptly deliver such income to **SELLER**.

**BUYER** is not assuming any of **SELLER'S** liabilities.

Given that the transaction contemplated herein will prevent **SELLER** from completing any work in process the printing of which is incomplete as of the date of Closing, **BUYER**, as an accommodation to **SELLER**, agrees that it will complete and deliver any of **SELLER'S** work in process the printing of which is incomplete as of the date of Closing, provided that **BUYER** has the right to invoice the customer for and to receive payment from the customer for such work. **SELLER** shall not be entitled to receive any income from such work in process. To the extent **SELLER** receives any income from such work in process, **SELLER** shall promptly deliver such income to **BUYER**. **SELLER'S** work in process the printing of which is incomplete as of the date of Closing shall be set forth in an Exhibit E to be attached hereto and incorporated herein by this reference.

**II. PURCHASE PRICE**

- A. The purchase price for the Assets will be \$120,000 to be paid as follows:
  - 1. \$80,000 in immediately available U. S. funds will be delivered to **SELLER** at Closing.
  - 2. The remaining \$40,000 shall be paid in cash or cash equivalent as follows:
    - a. \$10,000 will be paid 30 days following Closing which shall be 12-01-07
    - b. \$10,000 will be paid 60 days following Closing which shall be 12-31-07
    - c. \$10,000 will be paid 90 days following Closing which shall be 1-30-08
    - d. \$10,000 will be paid 120 days following Closing which shall be 3-1-08

Payment of the balance of the Purchase Price set forth in paragraph II.A.2 shall be subject to adjustment on the following basis. Patrick J. Monks and Zepha L. Monks will each be hired for a maximum four-month term as employees of **BUYER**. In the event Patrick J. Monks resigns or is terminated for cause as an employee of **BUYER**, the balance of the Purchase Price remaining due and payable after the effective date of his ceasing employment with **BUYER** shall be reduced by sixty percent (60%) on a prorated daily basis and the remaining portion of the Purchase Price shall be paid in equal installments at the times provided above, as if he had not resigned or been terminated for cause. In the event Zepha L. Monks resigns or is terminated for cause as an employee of **BUYER**, the balance of the Purchase Price remaining due and payable after the effective date of her ceasing employment with **BUYER** shall be reduced by forty percent (40%) on a prorated daily basis and the remaining portion of the Purchase Price shall be paid in equal installments at the times provided above, as if she had not resigned or been terminated for cause.

For example, assume Patrick J. Monks resigns effective twenty (20) days after the first installment payment is made and Zepha L. Monks does not resign and is not terminated for cause. The remaining balance of the Purchase Price, absent the resignation, would be \$30,000 at that time. Calculation of the reduction in the Purchase Price and payment of the resulting reduced balance of the Purchase Price would be as follows: Divide the number of days remaining from the effective date of resignation until the due date of the next installment payment after the resignation (10) by the number of days in the installment period during which Patrick J. Monks resigned (30). Multiply the resulting fraction (1/3) by the amount of the next installment payment otherwise due (\$10,000) and by the sixty percent (60%) reduction rate to determine the reduction in Purchase Price attributable to the portion of the installment period occurring after Patrick J. Monks resigned (\$2,000). Since Patrick J. Monks would not be employed by **BUYER** during the third and fourth installment periods, each of the \$10,000 installment payments otherwise due on the 90<sup>th</sup> and 120<sup>th</sup> days after Closing would be reduced by \$6,000. Therefore, the total reduction in Purchase Price would be \$2,000

plus \$6,000 plus \$6,000, for a total of \$14,000. Deducting this amount from the remaining balance of Purchase Price otherwise due (\$30,000) results in a reduced remaining balance for the Purchase Price of \$16,000, which would be paid in three (3) equal installments on the 60<sup>th</sup>, 90<sup>th</sup> and 120<sup>th</sup> days following Closing, assuming no other events further affecting the Purchase Price. If Zepha L. Monks subsequently ceased to be employed by BUYER, the entire remaining balance of the Purchase Price would no longer be payable.

B. Installment payments prescribed in paragraph II.A.2. may be made in person on the prescribed date or, if mailed, postmarked by the prescribed date. Payments made more than 5 calendar days late accrue interest at an annual rate of 18%. In the event a payment is more than 14 calendar days late the debt is in default and remaining installments become due and payable. In addition, such default shall affect the Non Competition Agreement as set forth in the attached Exhibit I.

BUYER hereby grants to SELLER a security interest in the equipment described in Exhibit A attached hereto and authorizes SELLER to file for record a UCC-1 financing statement with respect to such equipment. At Closing Buyer bears risk of loss and agrees to carry business insurance in an amount adequate to cover the value of such equipment.

**III. EMPLOYMENT OF MONKS**

Patrick J. Monks and Zepha L. Monks shall be employed by BUYER for a maximum term of four months pursuant to the terms of their respective employment agreements substantially in the form attached hereto as Exhibits F and G, respectively, to be executed at Closing.

**IV. ALLOCATION OF PURCHASE PRICE**

SELLER and BUYER agree to the following allocation of the Purchase Price among the Assets and agree they will use these asset valuations in federal and state tax matters whether or not the taxing authorities agree and/or require changes and no party will have any claim against another party in any such event.

- 1. Equipment, etc. (Exhibit A) Value \$108,000.00
- 2. Licensing and software (Exhibit B) Value \$1,500.00
- 3. Trade mark; trade names and goodwill (Exhibit C) Value \$8,500.00
- 4. Covenant not to compete Value \$500.00
- 5. Inventory and Supplies (Exhibit D) Value \$ 1,500.00

**V. BOOKS AND RECORDS**

A. At or prior to Closing, **SELLER** shall deliver to **BUYER** copies of **SELLER**'s state, local, and federal tax returns for **SELLER'S** three (3) most recent fiscal years ending prior to the date of Closing. **SELLER** warrants that at the time of signing this Agreement and as of Closing all such returns are and shall be substantially correct, complete and filed with the appropriate taxing authorities and that all required payments have been timely made. At Closing, **SELLER** shall deliver to **BUYER** originals or copies of **SELLER'S** invoices to customers for printing services provided during the five (5) years immediately preceding Closing. In the event **SELLER** provides originals of such invoices, **BUYER** agrees that copies of such invoices shall be available to **SELLER** in the event of a tax audit.

B. At or prior to Closing, **SELLER** shall deliver to **BUYER** all books and records in **SELLER'S** possession relating to the Assets, including, but not limited to, owner's manuals, maintenance manuals and records, permits, and certificates of registration or ownership.

C. **BUYER** agrees to obtain a manufacturer's maintenance agreement for the Heidelberg press, subject to a satisfactory inspection of the press as required by the manufacturer, for a term not less than the period necessary to complete payment of the Purchase Price hereunder.

**VI. LIABILITIES**

A. **SELLER** will pay obligations incurred by **SELLER** prior to Closing and will hold **BUYER** harmless from all such obligations or liabilities. **BUYER** is not assuming any of **SELLER'S** liabilities.

B. As an accommodation to **SELLER**, **BUYER** will complete certain work commenced by **SELLER** as described in Article I above. If **SELLER** has received any payment for any such work at or prior to Closing, **SELLER** will at Closing pay to **BUYER** all funds collected and **BUYER** will complete the work.

C. LEASE

**SELLER** and **BUYER** shall enter into a sublease of **SELLER'S** business premises located at 88 Spring Street, Suite 101, Seattle, Washington for the remaining duration of **SELLER'S** lease term, which shall expire on December 31, 2007, in substantially the form attached hereto as Exhibit H. **SELLER** shall be responsible for, and shall bear the cost, if any, of obtaining **SELLER'S** landlord's approval of the sublease, if necessary.

## VII. VARIOUS ASSETS AND AGREEMENTS

### A. TRADE NAME AND DOMAIN NAME

At Closing, **SELLER** will provide **BUYER** with copies of its Federal registration of any trademarks associated with **SELLER'S** business and have its own counsel prepare and file documents to transfer such marks to **BUYER**. The transaction contemplated by this Agreement includes the transfer to **BUYER** of all trademarks associated with **SELLER'S** business, whether or not such trademarks are registered with the US Trademark Office. **SELLER** will not, as a condition of Closing, be required to register with the US Trademark Office any trademark used by **SELLER** that is not currently registered with the US Trademark Office. **SELLER** will also provide a copy of a signed recordation form instructing the US Trademark Office to change registration and ownership of all registered trademarks of **SELLER** to **BUYER**. **SELLER** will mail the recordation form and required fee to the US Trademark Office within two (2) business days after Closing. **SELLER** will transfer the nikkomedia.com and seattlepostcard.com domain names electronically from **SELLER'S** domain account to an account with Network Solutions in the **BUYER'S** name. **BUYER** may maintain the domains in this account or may move them to another domain account any time after 60 days from the date of the original transfer.

**SELLER** will not use or attempt to register any trade names or domain names or words which include the words nikko, Nikko Media Center LLC, Nikko Media Center, nikkomedia or seattlepostcard or names similar thereto after execution of this Agreement. **SELLER** will not after execution of this Agreement include any combination of such words as a trademark or as its name or trade names or as any keywords for any domain name or internet web site.

At Closing, **SELLER** will provide **BUYER** with copies of all signed documents necessary to change the name of **SELLER** so that it does not contain nikko, nikkomedia, or seattlepostcard or any similar words or name and to terminate its registration of any trade name containing such words. Within two (2) business days after Closing, **SELLER** shall file such documents with the appropriate governmental authorities.

### B. LICENSES – SERVICE AGREEMENTS

To the extent any Asset is the subject of a license, warranty and/or a service agreement, such license, warranty and/or service agreement shall be transferred to **BUYER** at Closing.

**BUYER** may choose to receive the customer list in tab delimited or FileMaker format. If **BUYER** chooses FileMaker format, **SELLER** will include three client licenses for FileMaker in the sale. FileMaker Server is not included in the sale.

### **VIII. COVENANTS NOT TO COMPETE**

**SELLER** and **MONKS** shall enter into a non-competition agreement with **BUYER** substantially in the form attached hereto as Exhibit I.

### **IX. EXPENSES**

A. **SELLER** will be responsible for Federal, State, local and employment taxes for periods prior to Closing and as a result of the sale. **BUYER** will be responsible for any sales or use taxes incurred as a result of purchase of the Assets.

B. **BUYER** and **SELLER** will each be responsible for paying their respective legal and accounting fees incurred in connection with the negotiation and execution of this Agreement and the related transaction documents.

### **X. AGENTS**

**BUYER** has engaged the services of The Rosenthal Group, Inc. **BUYER** shall be responsible for payment of any fees and/or commissions lawfully owed to The Rosenthal Group, Inc. **SELLER** warrants that it has no Agents.

### **XI. BASIC REPRESENTATIONS AND WARRANTIES OF SELLER AND MONKS**

**SELLER** and **MONKS** represent and warrant to **BUYER** all of the following, all of which shall be true and correct as of the date hereof and also as of the date of Closing. Representations and warranties of **SELLER** and **MONKS** shall survive Closing.

A. Organization - Authority

**SELLER** is a valid Washington limited liability company in good standing, with its only member being Patrick J. Monks who is authorized to sign all documents on behalf of **SELLER**. **SELLER** was formed from Nikko Media Center, a Washington general partnership, with no change in ownership. Pat Monks subsequently purchased, and still owns, all the remaining membership interests in **SELLER**.

B. Authorization, Compliance With Laws

At Closing, **SELLER** will provide **BUYER** with a copy of a resolution of **SELLER** authorizing this sale of Assets, which is signed by its only member and his spouse. **SELLER** has complied with all applicable laws, ordinances, regulations and orders with respect to the Assets and the operation of **SELLER'S** business.

C. Title to Assets

**SELLER** has good title to all of the Assets. No third party holds any lien against the Assets or any agreement to receive or license any of the Assets. The trademark "Nikko" is the only trademark owned or used by **SELLER** that is registered with the US Trademark Office. Personal property taxes for 2007 relating to the Assets will be estimated and prorated at Closing. In the event actual personal property taxes for 2007 relating to the Assets differ from the amounts estimated and prorated at Closing, **SELLER** and **BUYER** shall promptly upon determination of that fact make the appropriate adjustment between them.

**D. No Impediments**

The execution and performance of this Agreement and the related agreements will not violate terms of any agreement with a third party, or order of any court or regulatory agency of competent jurisdiction, nor will they cause a default under any agreements by which **SELLER** or **MONKS** are bound, or render the **SELLER** insolvent, either at date of signing this Agreement or at date of Closing.

**E. No Pending Suit or Action**

To the best of their knowledge, there is no pending legal matter which would materially affect **SELLER'S** or **MONKS'** ability to consummate the transactions contemplated by this Agreement.

**F. Full Disclosure**

No representation or warranty made by **SELLER** or **MONKS** in this Agreement or in any document, statement, certificate, exhibit or schedule furnished or to be furnished in connection with this Agreement or the transactions contemplated hereunder, contains or will contain any untrue statement of a material fact or omits or will at Closing omit to state a material fact required to be, or significant to be, stated therein, either presently or as of Closing.

**G. Hazardous Substances**

To the best of their knowledge, there has not been any spilling of hazardous substances or petroleum distillates in **SELLER'S** business premises and there are no known violations of any of the hazardous substance provisions of the Lease or applicable law.

**XII. BUYER REPRESENTS TO THE SELLER**

No representation or warranty made by **BUYER** in this Agreement or in any document, statement, certificate, exhibit or schedule furnished or to be furnished in connection with this Agreement or the transaction contemplated hereunder, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated therein.

**BUYER** is a Washington corporation in good standing, is authorized to enter into this Agreement and will not be rendered insolvent by the purchase of Assets.



### **XIII. INDEMNIFICATION**

**SELLER** shall indemnify and hold **BUYER** harmless from any and all claims, causes of action, losses and damages, including attorneys' fees and costs, arising out of or relating to **SELLER'S** operation of its business and/or the Assets at or prior to Closing. **BUYER** shall indemnify and hold **SELLER** harmless from any and all claims, causes of action, losses and damages, including attorneys' fees and costs, arising out of or relating to **BUYER'S** operation of the Assets after Closing. In the event of any claim or cause of action that may give rise to a claim for indemnification hereunder, the party that may seek indemnification shall promptly give the other party written notice of the claim or cause of action that may give rise to the right of indemnification.

### **XIV. CLOSING CONDITIONS**

A. Closing date is the date of this Agreement.

B. On the day before or day of Closing, **BUYER** may tour **SELLER'S** business premises, examine the Assets, the customer lists and other items which are material to the sale. If any Assets have been adversely affected since August 2007, **BUYER** and **SELLER** will in good faith negotiate an adjustment to the Purchase Price or an agreement for repair of the damage before **BUYER** is required to proceed to Closing.

C. At Closing, **SELLER** will deliver to **BUYER** the tangible Assets on the premises, customer lists and website in digital form, domain names via electronic authorization to the ICANN registrar, software licenses via installation codes, the trademark via a filing with the Federal Trademark Office and the executed sublease substantially in the form attached hereto as Exhibit H approved by **SELLER'S** landlord.

D. If the Closing occurs at other than the last working day of a month, the rent will be adjusted pro-rata between **BUYER** and **SELLER**.

E. It is a condition of Closing that **BUYER** has the landlord's consent to a final form of sublease regarding the business premises which is satisfactory to **BUYER**.

F. **SELLER** agrees that it will promptly remit to **BUYER** any cash or other property that the **SELLER** receives arising from work completed by **BUYER** after the Closing date.

G. **BUYER** agrees not to remove any serialized equipment from the business premises until after the first installment of the Purchase Price under paragraph II.A.2 is made. **BUYER** agrees to maintain a vendor service contract on the Heidelberg DI press until final purchase payment is made.

H. At Closing, **BUYER** will reimburse **SELLER** for the dollar amount of prepaid Employee Medical Insurance fees for **SELLER'S** employees who become employees of **BUYER** on or after Closing for the period from the Closing date until the last day of the month in which Closing occurs.

**XV. GOVERNANCE OF AGREEMENT**

A. This Agreement shall be governed by the laws of the State of Washington.

B. To settle any dispute related to this Agreement, the parties agree to submit such dispute to binding arbitration by Judicial Dispute Resolution, LLC in Seattle, WA ("Arbitrator"). The parties further agree that, in resolving the dispute, the Arbitrator may grant any form of relief appropriate under the circumstances, including injunctive relief, and the parties hereby waive any objection that any such relief may not be granted, PROVIDED, that, if it is determined that the Arbitrator is without legal authority to grant the form of relief sought by a party, the party may seek such relief in the Superior Court of King County, Washington. In the event of any dispute related to this Agreement, the decision of the Arbitrator or the court, as applicable, shall determine the parties responsible for attorney's fees and costs. In the event of action taken in King County courts to enforce the decision of the Arbitrator, the prevailing party shall be entitled to recover its costs and reasonable attorney's fees.

**XVI. TOTAL AGREEMENT**

This Agreement, its Exhibits, any addenda, and any other documentation called for herein, represent the total agreement between and among BUYER, SELLER and MONKS. Any amendment or modification to this Agreement shall be in writing and signed by all parties.

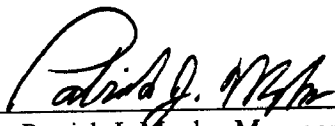
Dated as of the first date and month set forth above.

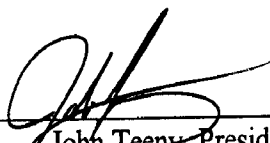
**SELLER:**

**BUYER:**

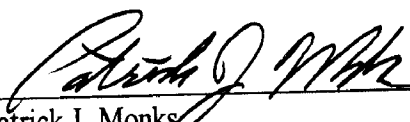
NIKKO MEDIA CENTER, LLC

PRECISE PRINTING, INC.

By   
Patrick J. Monks, Manager

By   
John Teeny, President

**MONKS:**

  
Patrick J. Monks

Zepha L. Monks  
Zepha L. Monks

COPY

**BILL OF SALE**  
**NIKKO MEDIA CENTER, LLC**

This BILL OF SALE is dated NOVEMBER 1<sup>st</sup>, 2007, by Nikko Media Center, LLC, a Washington limited liability company ("Transferor").

Transferor and Precise Printing, Inc., a Washington corporation ("Transferee"), have heretofore executed and mutually delivered a Purchase and Sale Agreement dated NOVEMBER 1<sup>st</sup>, 2007 (the "Purchase Agreement"), providing for the conveyance, transfer, assignment, and delivery to Transferee of certain assets of Transferor in exchange for the consideration set forth in the Purchase Agreement. Exhibits A-D to the Purchase Agreement set forth the assets to be transferred to Transferee pursuant to the Purchase Agreement and are also attached to this Bill of Sale as Exhibits A-D.

Therefore, for good and valuable consideration, partial receipt of which is hereby acknowledged, Transferor hereby conveys, transfers, assigns, and delivers to Transferee, its successors and assigns, forever (with warranty to be free and clear of all liens, charges, and encumbrances) the assets set forth in Exhibits A-D attached hereto and incorporated herein by this reference. Transferor agrees to execute and deliver or file with appropriate authorities such additional documents as may be necessary to fully convey its interest in such assets to Transferee.

**Transferor:**

**NIKKO MEDIA CENTER, LLC**

By   
PATRICK J. MONKS, Manager