

05-18-2001



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02-08-2001

U.S. Patent & TMOs/TM Mail RptDt. #26

U.S. Department of Commerce  
Patent and Trademark Office  
**TRADEMARK**

**RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY**

2.8.01

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

**Submission Type**

- New
- Resubmission (Non-Recordation)  
Document ID # 101615605
- Correction of PTO Error  
Reel #  Frame #
- Corrective Document  
Reel #  Frame #

**Conveyance Type**

- Assignment  License
- Security Agreement  Nunc Pro Tunc Assignment
- Merger  Effective Date  
Month Day Year
- Change of Name
- Other

**Conveying Party**

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name McKinstry Co.

5/23/2000

Formerly

76104433

- Individual  General Partnership  Limited Partnership  Corporation  Association
- Other
- Citizenship/State of Incorporation/Organization

**Receiving Party**

Mark if additional names of receiving parties attached

Name Essention, Inc.

DBA/AKA/TA

Composed of

Address (line 1) 505 3rd Ave South

Address (line 2) PO Box 24567

Address (line 3) Seattle WA 98124

City

State/Country

Zip Code

- Individual  General Partnership  Limited Partnership
- Corporation  Association
- Other
- Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

02/15/2001 GTON11 00000135 76104433

FOR OFFICE USE ONLY

01 FC:481 40.00 OP  
 02 FC:482 25.00 OP  
 03 FC:498 15.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

**TRADEMARK**  
**REEL: 002298 FRAME: 0174**

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages**

Enter the total number of pages of the attached conveyance document including any attachments.

#

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text" value="76/104,433"/>	<input type="text" value="76/004,815"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Number of Properties**

Enter the total number of properties involved.

#

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment: Enclosed  Deposit Account

**Deposit Account**

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

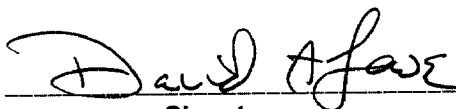
Authorization to charge additional fees:

Yes  No

**Statement and Signature**

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. Charges to deposit account are authorized, as indicated herein.

David A. Lowe Reg. No. 39,281



2/2/01

Name of Person Signing

Signature

Date Signed

# ESSENTION, INC.

## ASSIGNMENT OF RIGHTS AGREEMENT

THIS ASSIGNMENT OF RIGHTS AGREEMENT (this "Agreement") is made and entered into effective as of May 23, 2000, by and between ESSENTION, INC., a Washington corporation ("Company"), and McKinstry Co., Washington corporation and one of the founders of Company ("Founder").

### RECITALS

A. Founder has created or helped to create certain products and performed certain services, which may include without limitation software code, reports, memoranda, studies, plans, designs, specifications, drawings, materials, exhibits, and other documents and materials, which are more fully described on Exhibit A (the "Intellectual Property").

B. Pursuant to that certain Subscription Agreement of even date herewith, by and between Founder and the Company (the "Subscription Agreement"), Founder has agreed to enter into this Agreement and contribute all right, title, and interest in and to the Intellectual Property to the Company in exchange for the issuance of certain shares of common stock in the Company.

In consideration of the foregoing and the mutual agreements, covenants, and conditions herein contained, Company and Founder agree as follows:

### AGREEMENT

#### 1. Assignment of Rights.

1.1 Founder hereby irrevocably assigns, transfers and sells to Company all right, title and interest held by Founder in and to the Intellectual Property, including without limitation any and all copyrights, patents, trade secrets, trademarks, and other proprietary or personal rights in the Intellectual Property throughout the world, any and all applications for any of the foregoing, any and all divisions, reissues and continuations of any of the foregoing, and any and all renewal and extensions of any of the foregoing, to the extent Company does not already own the same. To the extent any of Founder's rights in the Intellectual Property are not subject to assignment hereunder, including without limitation any moral rights, Founder hereby irrevocably and unconditionally waives all enforcement of such rights.

1.2 Founder agrees (a) to cooperate fully with Company in documenting the discovery and development of all elements of the Intellectual Property; and (b) upon request by Company or any assignee or successor of Company, to execute such documents and take such other actions as Company or such assignee or successor may request to evidence, vest, confirm, perfect or otherwise effectuate the terms of this Agreement, including without limitation by executing and directing third parties to execute appropriate transfer and assignment agreements,

waivers, registration applications, and confirmations, all at the expense of Company or its assignees or successors.

1.3 At the request of Company, Founder shall promptly deliver to Company all records, documents, memoranda, drawings, schematics, prototypes, reports, and other materials that are the property of Company or which relate in any way to the Intellectual Property and all other property, trade secrets, and confidential information of Company that are in Founder's possession or control.

2. **Representations, Warranties, and Covenants.** Founder represents, warrants, and covenants:

(a) that Founder is free to enter into this Agreement and has the full legal power and authority to enter into this Agreement; and

(b) that the Intellectual Property performed and/or created by Founder does not and will not infringe any copyright, patent, trade secret, or other proprietary right held by any third party.

3. **Indemnification.** Founder shall indemnify, defend and hold Company harmless against any and all claims, damages, losses, or liabilities to third parties arising out of any breach by Founder of its warranties and covenants hereunder.

#### 4. **General Provisions**

4.1 **Severability.** The parties intend that the provisions of this Agreement be enforced to the fullest extent permitted by applicable law. If any provision of this Agreement is determined to be unenforceable or void by a court of competent jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect.

4.2 **Notices.** Any notice required or permitted hereunder will be given in writing and will be deemed effectively given upon personal delivery, three (3) days after deposit in the United States mail by certified or registered mail (return receipt requested), one (1) business day after its deposit with any return receipt express courier (prepaid), or one (1) business day after transmission by telecopier, addressed to the other party at its address (or facsimile number, in the case of transmission by telecopier) as shown below its signature to this Agreement, or to such other address as such party may designate in writing from time to time to the other party.

4.3 **Headings.** The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions of this Agreement.

4.4 **Choice of Law and Venue; Attorneys' Fees.** This Agreement shall be governed by the laws of the State of Washington without regard to its choice of law provisions.

Founder hereby consents to jurisdiction and venue in the state or federal courts sitting in King County, Washington, and waives any argument of forum non conveniens in connection therewith. In the event either party to this Agreement is required to, or does, maintain or defend any claim or cause of action against the other arising out of or relating to this Agreement, then the prevailing party in any such action or arbitration shall be entitled to recover from the other all reasonable attorneys' fees incurred therein, in addition to reasonable costs and expenses.

4.5 **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties' successors and lawful assigns.

4.6 **Entire Agreement.** This Agreement and the Subscription Agreement state the entire understanding between the parties and their successors in interest, to the extent permitted herein, with respect to the subject matter hereof, and merge and supersede any promises or conditions in any other oral or written agreement. No provision of this Agreement may be amended or supplemented except by a written agreement signed by the parties hereto or their respective successors in interest.

*(the remainder of this page has been intentionally left blank)*

**SIGNATURE PAGE – ASSIGNMENT OF RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**COMPANY**

**FOUNDER**

ESSENTION, INC.

MCKINSTRY CO.

By Bill Teplicky  
Bill Teplicky, Secretary

By [Signature]

## EXHIBIT A

### INTELLECTUAL PROPERTY

1. The domain names "Essention.com", "Essention.org.", "Essention.net", and Info-Centre.com";
2. Concept of web-based management of systems infrastructure;
3. Website and database development and coding;
4. Business plan development;
5. Logo/name branding;
6. Trademark application for mark "Essention";
7. Any and all "Work" produced pursuant to that certain Development and Services Agreement dated as of January 13, 2000, by and between Founder and Saltmine Creative, Inc.
8. Any other intellectual property that relates to the business of the Company (i.e. web-based management of systems infrastructure) created or conceived of prior to the date of this Agreement.



SUBSCRIPTION AGREEMENT

02-08-2001

U.S. Patent & TMOfr/TM Mail RcptDt. #26

The undersigned hereby subscribes for Four Million (4,000,000) shares of common stock of Essention, Inc., a Washington corporation (the "Company"), in exchange for (1) the contribution by the undersigned of all of the undersigned's right, title, and interest in the assets listed and/or described on the attached Exhibit A, subject to the liabilities described therein; and (2) the execution by the undersigned of that certain Assignment of Rights Agreement of even date herewith, by and between the undersigned and the Company. The undersigned agrees to execute such additional documents as may be reasonably requested by the Company to effectuate the transfer of the intellectual property referred to therein. The undersigned agrees to execute such additional documents as may be reasonably requested by the Company to effectuate the transfer of the intellectual property referred to therein.

The undersigned agrees that upon issuance of the shares, the undersigned will execute an investment letter in the form attached hereto as Attachment 1 to reflect that the undersigned is acquiring such shares for investment purposes and not with a view toward their resale or distribution.

DATED: May 23, 2000.

MCKINSTRY CO.

By [Signature]

ACCEPTANCE

The foregoing subscription agreement and the consideration reflected therein are hereby accepted.

ESSENTION, INC.

By Bill Teplicky  
Bill Teplicky, Secretary



## EXHIBIT A

### LIST AND DESCRIPTION OF TRANSFERRED ASSETS AND LIABILITIES

As used herein, the "Business" means web-based management of systems infrastructure.

1. All Accounts Receivable and Accounts Payable of the Business listed on Schedule A hereto.
2. All equipment, inventory and supplies used in the Business, including but not limited to those described on Schedule B hereto.
3. All proprietary rights of the Business, together with any associated goodwill, including without limitation those proprietary rights and domain names described on Schedule C attached.
4. All books, files, records, lists and proprietary information of the Business.
5. All goodwill of the Business, all customer lists, other inventory, supplies, deposits on equipment, prepaid expenses and other current assets, if any, necessary for the operation of the Business; subject to any and all liabilities related to the Business.

**SCHEDULE A**

**Accounts Receivable and Accounts Payable**

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**SCHEDULE B**

**Equipment, Inventory, and Supplies**

## SCHEDULE C

### Proprietary Rights

- U.S. Trademark Application No. 76/005815 "Essention";
- All copyrights, copyright registrations, and applications for registration associated with the Business;
- All trademarks, service marks, trade names, domain names associated with the Business;
- The websites and associated domain names "Essention.com", "Essention.org.", "Essention.net", and "Info-Centre.com";
- All causes of action, whether arising or accrued now or in the future, relating to any proprietary right, to the extent same can lawfully be transferred;
- All inventions relating to the Business;
- All applications for registration of any proprietary right, anywhere in the world, in any jurisdiction.

ATTACHMENT 1

To the Board of Directors of  
Essention, Inc.

I acknowledge receipt of Four Million (4,000,000) shares of common stock of Essention, Inc., a Washington corporation (the "Corporation") in exchange for the contribution of certain assets and liabilities and the execution of that certain Assignment of Rights Agreement of even date herewith, by and between me and the Corporation. In connection with my acquisition of these securities, I understand as follows:

These securities are not registered under the Securities Act of 1933 (the "Act") as the transaction in which they are being acquired is exempt under Section 4(2) of the Act as not involving any public offering. Reliance of the Corporation and others upon this exemption is predicated in part upon my representation (which I hereby confirm) that I am acquiring these securities for my own account with no present intention of selling or otherwise distributing the same to the public. I understand that in the view of the Securities and Exchange Commission (the "SEC") the statutory and administrative basis for exemption would not be present if, notwithstanding my representation, I have in mind merely acquiring these securities for sale upon the occurrence or non-occurrence of some predetermined event such as, for example, holding the securities for a market rise, or for sale if the market does not rise, or for a fixed or determinable period in the future.

These securities must be held by me indefinitely unless they are subsequently registered under the Act or an exemption from registration is available. Any routine sales of these securities made in reliance upon the exemption afforded by Rule 144 of the SEC can be made only in limited amounts in accordance with the terms and conditions of that rule, and, in the event this rule is for some reason inapplicable, compliance with Regulation A of the SEC or some other disclosure exemption will be required. The Corporation will supply to me such information in its possession as may be necessary to enable me to make routine sales of the securities under Rule 144, if that Rule is available. However, the Corporation is under no obligation to make such information "publicly available," to otherwise comply with any such exemption, or to register the securities.

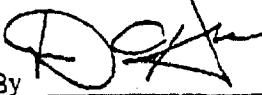
In accordance with the policies of the SEC, the Corporation is placing the following legend upon the certificates representing the securities and is placing upon the Corporation's stock transfer records a stop-transfer order preventing transfer of the securities pending compliance with the conditions set forth in the legend:

These securities are not registered under state or federal securities laws and may not be offered, or sold, pledged (except a pledge pursuant to the terms of which any offer or sale upon foreclosure would be made in a manner that would not violate the registration provisions of federal or state securities laws) or otherwise distributed for value, nor may these securities be transferred on the books of the corporation, without opinion of counsel, concurred in by counsel for the corporation, that no violation of said registration provisions would result therefrom.

I HAVE CAREFULLY READ THE FOREGOING AND UNDERSTAND THAT IT RELATES TO RESTRICTIONS UPON MY ABILITY TO SELL AND/OR TRANSFER MY SECURITIES.

DATED: May 23, 2000.

MCKINSTRY CO

By  \_\_\_\_\_