

06-20-2002



Form PTO-1594
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102129051

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

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): **OneName Corporation**

Individual(s) Association

General Partnership Limited Partnership

Corporation-Washington **6-17-02**

Other _____

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies):

Name: George Aposporos

Street Address: 14 Garden Place

City: Brooklyn State: New York Zip: 11201

Individual(s) citizenship United States

Association _____

General Partnership _____

Limited Partnership _____

Corporation-State _____

Other _____

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)
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

Assignment Merger

Security Agreement Change of Name

Other _____

Execution Date: _____

4. Application number(s) or registration number(s):

A. Trademark Application No.(s): **See Exhibit A**

B. Trademark Registration No.(s): **See Exhibit B**

Additional number(s) attached Yes No

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

Name: Brent Sanders, Esq.

Internal Address: Perkins Coie LLP

Street Address: 1201 Third Avenue, Suite 4800

City: Seattle State: Washington Zip: 98101

6. Total number of applications and registrations involved

7. Total fee (37 CFR 3.41) \$115.00

Enclosed

Authorized to be charged to deposit amount

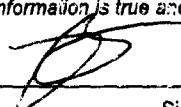
8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. 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

Brent D. Sanders, Esq.  June 7, 2002

Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and documents: 24

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

06/19/2002 6TON11 00000232 76136080

01 FC:481 40.00 DP
02 FC:482 75.00 DP

TRADEMARK
REEL: 002528 FRAME: 0798

Additional Receiving Parties

Washington Park Ventures LLC
c/o Douglas A. Bevis, Manager
530 Hillside Drive East
Seattle, WA 98112

John W. Jordan
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Seattle, WA 98122

B & S Investments
c/o William Bauce
P.O. Box 9240
Ranch Santa Fe, CA 92067

James D. & Sherry Raisbeck
c/o Raisbeck Engineering, Inc.
4411 South Ryan Way
Tukwila, WA 98178

James & Sherry Raisbeck Foundation
c/o Raisbeck Engineering, Inc.
4411 South Ryan Way
Tukwila, WA 98178

Robert (Bard) Richmond
3019 Perkins Lane W.
Seattle, WA 98199

Dorsar Investment Co. LP
c/o Elisa S. Varela
4855 N. Mesa St., Suite 120
El Paso, TX 79912-5939

Perkins Coie LLP
1201 Third Avenue
Suite 4800
Seattle, WA 98199

Exhibit A

Trademark Applications

Trademark	Application Date	Application Number
XNS	9/26/2000	76/136,080
ONENAME	12/22/2000	76/185,432

Exhibit B

Trademark Registrations

Trademark	Application Number	Registration Number	Registration Date
ONENAME	76185433	2,527,259	01/08/2002
ONENAME	75430086	2,448,085	05/01/2001

SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Agreement") is made and executed as of May 24, 2002, by OneName Corporation, a Washington corporation ("Borrower"), for the benefit of the persons identified on Schedule I hereto (together with such persons' successors and assigns, the "Investors"), the collateral agent appointed to protect the interests of the Investors (in such capacity, "Agent") selected by the Investors who hold in the aggregate a majority of the outstanding principal balance of the Notes issued pursuant to the Purchase Agreement (as defined below) (the "Majority Holders"), and Perkins Coie LLP, a Washington limited liability partnership ("Perkins"). After the appointment of Agent by the Majority Holders, Agent shall give written notice of such appointment to Borrower and Perkins.

RECITALS:

A. The Investors and Borrower entered into a Note and Warrant Purchase Agreement dated as of May 24, 2002 (the "Purchase Agreement"), pursuant to which the Investors agreed to receive certain Convertible Promissory Notes (the "Notes") and Warrants in exchange for making certain loans to Borrower (the "Loans").

B. Perkins and Borrower have entered into an agreement dated February 5, 2002, setting forth Perkins' right to receive certain sums to retire fees and disbursements due and owing to the firm (such agreement herein the "February 2002 Agreement").

C. The Investors have agreed to make the Loans to the Borrower on the condition that Perkins agrees to forbear from enforcing certain of its rights under the February 2002 Agreement.

D. Perkins has agreed to forbear from enforcing its rights to demand immediate payment under the February 2002 Agreement, for services rendered after February 5, 2002, and for payments due to Perkins as to funds raised by Borrower from and after the date January 1, 2002 through May 24, 2002 (including the new \$800,000 raised as of May 24, 2002, from the Investors through the sale of Convertible Promissory Notes under the Purchase Agreement); provided that Borrower grants Perkins the security interest in all its assets pursuant to the terms hereof, and provided Borrower and Perkins enter into a new side letter agreement dated May 24, 2002, amending in part the terms of the February Agreement. Borrower states that it has been fully informed as to the terms of this Agreement and the security interest granted to Perkins herein, that it has had an opportunity to review and comment on this Agreement and the related documents, and that the terms of this Agreement and the May 24, 2002 letter agreement are fair and reasonable. Borrower further states that it has been given a reasonable opportunity to seek the advice of independent counsel with respect to the May 24, 2002 letter agreement and the security interest and other rights granted to Perkins herein.

E. Borrower wishes to grant to the Investors a security interest in all its assets as security for all the Secured Obligations (as defined below), which security interest shall be partially subordinate to the security interest granted to Perkins pursuant to the terms hereof.

F. Borrower has received substantial new and equivalent value in exchange for granting Perkins a priority security interest in its assets in the form of (i) Perkins' agreement to take a security interest in Borrower's assets, and entering into the May 24, 2002 letter agreement, in lieu of enforcing certain of its rights to payment under the February 2002 Agreement and (ii) the Investors' making of the Loans to Borrower.

NOW, THEREFORE, in order for the Investors to make the Loans, Borrower agrees as follows:

ARTICLE I. DEFINITIONS

The terms "Account," "Chattel Paper," "Deposit Account," "Document," "Electronic Chattel Paper," "Equipment," "Financial Assets," "General Intangible," "Goods," "Health-Care-Insurance Receivables," "Instrument," "Inventory," "Investment Property," "Letter of Credit Rights," "Payment Intangible" and "Supporting Obligation," shall have the meanings defined in the Uniform Commercial Code as enacted in Washington, as amended from time to time.

When used in this Agreement, the following terms shall have the following meanings:

"Account Debtor" means the party who is obligated on or under any Account, Chattel Paper or General Intangible.

"Collateral" means all property, real, personal and mixed, tangible and intangible, wherever located, now owned or hereafter acquired by Borrower, or in which Borrower has or later obtains an interest, and all products, profits, rents and proceeds of such property, including but not limited to Accounts, Chattel Paper (including Electronic Chattel Paper), Deposit Accounts, Documents, Equipment, Financial Assets, General Intangibles (including Payment Intangibles), Goods, Health-Care-Insurance Receivables, Instruments, Inventory, Investment Property, Letter of Credit Rights, Supporting Obligations, Patents, Copyrights and Trademarks, all claims for tax refund, whether now existing or hereafter arising, of Borrower against any city, county, state or federal government or any agency or authority or other subdivision thereof, and the proceeds thereof and all of Borrower's drawings, designs, blueprints and sketches, used or usable in connection with Borrower's business; all customer lists, ledger and account cards, computer tapes, discs and printouts, and books and records of Borrower; and any and all other properties and assets of Borrower of whatever nature, tangible or intangible, wherever located and whether now or hereafter existing.

"Copyrights" means any copyrights, rights and interests in copyrights, works protectable by copyrights, copyright registrations and copyright applications, including, without limitation, the copyright registrations and the applications listed on Schedule II attached hereto, and all renewals of any of the foregoing, all income, royalties, damages and

payments now and hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing.

"Event of Default" means an occurrence of an Event of Default as defined in the Note or the failure of Borrower to pay to Perkins the amounts due to it under the February 2002 Agreement, as modified by that letter agreement dated May 24, 2002.

"Patents" means any patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, all patentable inventions and those patents and patent applications listed on Schedule III attached hereto, and the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing.

"Secured Obligations" means all obligations and liabilities of every nature of Borrower now or hereafter existing under or arising out of or in connection with: (a) the Notes and/or the Purchase Agreement or (b) the legal services rendered by Perkins to Borrower or any affiliates thereof, and Borrower's obligations under the February 2002 Agreement, as modified by that letter agreement dated May 24, 2002 (collectively the "Perkins Obligations"), whether for principal, interest (including without limitation interest that, but for the filing of a petition in bankruptcy with respect to Borrower, would accrue on such obligations), liquidation amounts, fees, expenses, indemnities or otherwise, whether voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owned with others, and whether or not from time to time decreased or extinguished and later increased, created, or incurred, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from Perkins, Agent or the Investors as a preference, fraudulent transfer, or otherwise, all attorneys' fees and other costs and expenses incurred by Perkins, Agent and/or Investors in connection with the enforcement of the rights and remedies reserved in the Notes, the Purchase Agreement and this Agreement, through all appeals, and all obligations of every nature of Borrower now or hereafter existing under this Agreement.

"Trademark" means (a) any trademark, trade name, corporate name, company name, business name, fictitious business name, trade style, service mark, logo or other source or business identifier, including, without limitation, any of the aforementioned items referred to in Schedule IV attached hereto, and the goodwill associated therewith, now existing or hereafter adopted or acquired, any registration or recording thereof, and any application in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States or of any state thereof or any other country or any political subdivision thereof, or otherwise, and (b) all renewals thereof.

ARTICLE II. GRANT OF SECURITY INTEREST

2.1 General Grant of Interest

As security for the payment and satisfaction of the Secured Obligations, Borrower hereby grants to Perkins and to Agent, for the benefit of the Investors, a continuing security interest in and assigns to Perkins and Agent all of Borrower's right, title and interest in the Collateral and all products, profits, rents and proceeds thereof.

2.2 Subordination of Investors' Security Interest

(a) Subordination. Agent on behalf of the Investors hereby agrees that (regardless of any priority otherwise available to the Investors by law or agreement) any security interest that the Investors may now hold or may at any time hereafter acquire in any or all of the Collateral is, shall be and shall remain fully subordinate to any security interest that Perkins may now or hereafter hold in the Collateral, so that, if at the time part or all of the Collateral is sold (whether in a judicial or non-judicial sale), the Secured Obligations have not then be paid in full, the net proceeds from any such disposition of the Collateral after the costs of sale (the "Collateral Proceeds"), whether such proceeds are received through one or more sales, shall be distributed between the Investors and Perkins in the following order of priority (the "Priority Schedule"):

(i) First, to Perkins until it has received \$200,000;

(ii) Second, to the Investors, on a pari passu basis in accordance with the amounts payable under this paragraph, until they have received an amount equal to their new loans to Borrower under Section 1.1 of the Purchase Agreement (i.e., the aggregate original principal amounts of the Notes issued by Borrower pursuant to Section 1.1 of the Purchase Agreement);

(iii) Third, to Perkins and the Investors, on a pari passu basis in accordance with the amounts payable under this paragraph, until (x) Perkins has been paid the remaining unpaid portion of any fees and disbursements due to Perkins, and (y) the holders of the Exchange Notes (as defined in the Purchase Agreement), if any, issued by the Company, at the May 24, 2002 closing of its bridge note financing (together with Messrs. Ted McCaugherty and William Weyerhaeuser if and to the extent that they purchase Exchange Notes on or before May 30, 2002) have received the original principal amounts of such Exchange Notes (excluding, for this purpose, the one times "principal" liquidity preference and accrued but unpaid interest due on such obligations, and excluding any and all amounts due and payable under the Exchange Notes issued by Borrower on or after May 24, 2002); subject, however, to the right of Perkins to receive the payment provided in paragraph 2(d) of the May 24, 2002 letter, prior to any payments to the holders of the Exchange Notes;

(iv) Finally, to the Investors holding the Notes and the Exchange Notes, on a pari passu basis in accordance with the amounts payable under this paragraph, until they have received the balance of the amounts due to them under the Notes and the Exchange

Notes (including the one time "principal" liquidity preference payable with regard to such obligations).

If Perkins, Agent or any Investor receives any payment on account of the Collateral outside of the order of priority set forth above (a "Receiving Party"), such Receiving Party will hold the amount so received in trust for the party entitled to receive such funds according to the Priority Schedule (the "Entitled Party") and will forthwith turn over such payment to the Entitled Party (except for the endorsement of the Receiving Party where necessary) for application towards payment of the relevant obligation. If a Receiving Party fails to make any endorsement required to effectuate the preceding sentence, the Entitled Party is hereby irrevocably appointed (which appointment is coupled with an interest) as the attorney-in-fact for the Receiving Party (with the right but not the duty) to make such endorsement in the Receiving Party's name.

(b) Subrogation. If the Investors holding Notes or Exchange Notes are paid out of priority and prior to Perkins' entitlement to payment under the Priority Schedule, Perkins shall become fully subrogated to any rights or interests of such Investors to receive any distributions payable with respect to the Notes or Exchange Notes, as appropriate, to the extent that distributions otherwise payable to Perkins according to the Priority Schedule have been paid to the Investors.

ARTICLE III. COVENANTS OF BORROWER

Borrower shall fully perform each of the covenants set forth below.

3.1 Obligations to Pay

(a) Borrower shall pay to the Investors, as and when due and in full, all amounts payable by Borrower to the Investors, pursuant to the Notes; and

(b) Borrower shall pay and reimburse Perkins, Agent and the Investors for other Secured Obligations including reasonable attorneys' fees and legal expenses incurred in connection with the exercise by Perkins, Agent or the Investors of any of their rights or remedies under this Agreement or the Notes.

3.2 Performance

Borrower shall fully perform in a timely fashion every covenant, agreement and obligation set forth in the Purchase Agreement, this Agreement and the Notes.

3.3 Further Documentation

Upon the written request of Agent or Perkins, and at the sole expense of Borrower, Borrower will promptly execute and deliver such further instruments and documents and take such further actions as Agent or Perkins may deem desirable to obtain the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, filing of

any financing statement under the Uniform Commercial Code, execution of assignments of General Intangibles, delivery of appropriate stock or bond powers, transfer of Collateral (other than Inventory, Accounts and Equipment) to Agent's or Perkins' possession if necessary to perfect Agent's or Perkins' security interest therein. Borrower hereby authorizes Agent and Perkins to file any such financing statements (including electronic or facsimile filings) on Borrower's behalf covering collateral described as "all assets" of Borrower, without the signature of Borrower to the extent permitted by applicable law, and to file a copy of this Agreement in lieu of a financing statement.

3.4 Filing Fees

Borrower shall pay to Agent and Perkins all costs of filing this Agreement with the U.S. Patent and Trademark Office and any financing, continuation or termination statement with respect to the security interests granted herein.

3.5 Maintenance of Records

Borrower shall keep and maintain at its own cost and expense satisfactory and complete records of the Collateral including but not limited to a record of all payments received and all credits granted with respect to the Collateral and all other dealings with the Collateral. Borrower shall mark its books and records pertaining to the Collateral to evidence this Agreement and the security interests granted herein. Borrower shall deliver and turn over to Perkins, Agent and the Investors all books and records pertaining to the Collateral at any time after the occurrence and during the continuation of an Event of Default, if so demanded by Perkins, Agent or any Investor.

3.6 Changes in Locations, Name, Etc.

Borrower will not (a) change its state of organization, (b) change the location of its chief executive office/chief place of business or remove its books and records from the location specified in this Agreement, (c) permit any of the Inventory or Equipment to be kept at locations other than those identified to Agent and Perkins, or (d) change its name, identity or structure to such an extent that any financing statement filed by Agent or Perkins in connection with this Agreement would become ineffective or seriously misleading, unless it shall have given Agent and Perkins at least thirty (30) days' prior written notice thereof.

3.7 Intellectual Property

(a) Borrower (either itself or through licensees) will (i) continue to use each Trademark, on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for nonuse, (ii) maintain as in the past the quality of products and services offered under such Trademark, (iii) employ such Trademark with the appropriate notice of registration, (iv) not adopt or use any mark that is confusingly similar to or a colorable imitation of such Trademark unless the Investors shall obtain a perfected security interest in such mark pursuant to this Agreement and (v) not (and not

permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any Trademark may become invalidated.

(b) Borrower will notify Agent and Perkins immediately if it knows, or has reason to know, of (i) any application or registration relating to any Trademark, Copyright or Patent material to its business that may become abandoned or dedicated or (ii) any adverse determination or development (including but not limited to the institution of, or any adverse determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding Borrower's ownership of any material Trademark, Copyright or Patent or its right to register, keep or maintain the same.

(c) Whenever Borrower, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any material Trademark, Copyright or Patent with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, Borrower shall report such filing to Agent and Perkins within five (5) business days after the last day of the calendar month in which such filing occurs. Borrower shall execute and deliver to Agent and Perkins all agreements, instruments, powers of attorney, documents and papers that Agent and Perkins may request to evidence Agent's and Perkins' security interest in any Trademark, Copyright or Patents and in the goodwill and general intangibles of Borrower relating to or represented by such Trademark, Copyright or Patent. Borrower hereby constitutes Agent and Perkins its attorney-in-fact to execute and file all such writings for the foregoing purposes, including pursuant to Section 3.3, with all acts of such attorney being hereby ratified and confirmed; and such power, being coupled with an interest, is irrevocable until all Secured Obligations are paid in full.

(d) Borrower will take all reasonable and necessary steps, including but not limited to all reasonable and necessary steps in any proceeding before the United States Patent and Trademark Office, United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application, to obtain the relevant registration, and to maintain each registration of material Trademarks, Copyrights and Patents, including but not limited to filing applications for renewal, affidavits of use and affidavits of incontestability.

(e) If any Trademark, Copyright or Patent that is included in the Collateral is infringed, misappropriated or diluted by a third party, Borrower shall promptly notify Agent and Perkins after it learns thereof and shall take such action as Borrower reasonably deems appropriate under the circumstances to protect such Trademark, Copyright or Patent.

3.8 Insurance

Borrower agrees to maintain commercially reasonable insurance policies to insure the Collateral against all hazards. If Borrower fails to obtain such insurance, Agent and Perkins shall have the right, but not the obligation, to obtain either insurance covering both

Borrower's and Agent's or Perkins' interest in the Collateral or insurance covering only Agent's or Perkins' interest in the Collateral. Borrower agrees to pay any premium charged for such insurance. Any unpaid insurance premium advanced by Agent or Perkins shall be secured under the terms of this Agreement. Neither Perkins, Agent nor the Investors will have any liability whatsoever for any loss which may occur by reason of the omission or lack of coverage of any such insurance. Borrower hereby assigns to Agent and Perkins the right to receive proceeds of such insurance to the full amount of the Secured Obligations and hereby directs any insurer to pay all proceeds directly to Agent and Perkins, and authorizes Agent and Perkins to endorse any draft. In Agent's or Perkins' discretion, Agent or Perkins may apply any insurance proceeds either toward repair of the property or reduction of the balance of the Secured Obligations.

3.9 Disposition of Collateral

Except for sales of Inventory in the ordinary course of Borrower's business, or for the disposition of other immaterial assets owned by Borrower in the ordinary course, Borrower will not sell, assign, transfer or otherwise convey any of the Collateral.

3.10 Taxes

Borrower will pay promptly before delinquent all property and other taxes, assessments, and governmental charges or levies imposed upon, and all claims (including claims for labor, materials, and supplies) against, the Collateral, and all income and other taxes imposed upon Borrower, except to the extent the validity thereof is being contested diligently and in good faith by proper proceedings by Borrower.

3.11 Deposit Accounts

Borrower shall not open any new accounts unless Borrower shall have given Agent and Perkins ten (10) business days' prior written notice of its intent to open any such new accounts. Borrower hereby authorizes the financial institutions at which Borrower maintains an account to provide Agent and Perkins with such information with respect to such account as Agent or Perkins from time to time reasonably may request, and Borrower hereby consents to such information being provided to Agent and Perkins.

ARTICLE IV. RIGHTS WITH RESPECT TO THE COLLATERAL

4.1 No Duty on the Investors' Part

Neither Perkins, Agent nor any Investor shall be required (except at their option upon the occurrence and during the continuation of any Event of Default) to realize upon any Accounts, Financial Assets, Instruments, Investment Property, Chattel Paper or General Intangibles; collect the principal, interest or payment due thereon, exercise any rights or options of Borrower pertaining thereto; make presentment, demand or protest; give notice of protest, nonacceptance or nonpayment; or do any other thing for the protection, enforcement or collection of such Collateral. The powers conferred on Agent and Perkins hereunder are

solely to protect Agent's and Perkins' interests in the Collateral for the benefit of Agent, the Investors and Perkins and shall not impose any duty upon Agent, any Investor, nor Perkins to exercise any such powers. Except as otherwise agreed among Agent, the Investors and Perkins, Agent and Perkins shall be accountable only for amounts that Agent, the Investors or Perkins actually receive as a result of the exercise of such powers; and neither Agent, any Investor or any of their officers, directors, employees or agents, nor Perkins shall be responsible to Borrower for any act or failure to act hereunder.

4.2 Negotiations with Account Borrowers

Upon the occurrence and during the continuation of any Event of Default, Perkins or Agent, at the direction of the Majority Holders, may extend or consent to the extension of the time of payment or maturity of any Instruments, Accounts, Chattel Paper or General Intangibles that are included in the collateral.

4.3 Right to Assign

Perkins or Agent, at the direction of the Majority Holders may transfer the whole or any part of the Secured Obligations and may transfer therewith as collateral security the whole or any part of the Collateral; and all obligations, rights, powers and privileges herein provided shall inure to the benefit of the assignee and shall bind the successors and assigns of the parties hereto.

4.4 Duties Regarding Collateral

Beyond the safe custody thereof, Agent and Perkins shall not have any duty as to any Collateral in its possession or control, or as to any preservation of any rights of or against other parties.

4.5 Collection From Account Debtors

Upon the occurrence and during the continuation of any Event of Default, Borrower shall, upon demand by Agent or Perkins (and without any grace or cure period), notify all Account Debtors to make payment to Agent or Perkins of any amounts due or to become due. Borrower authorizes Agent and Perkins to contact the Account Debtors for the purpose of having all or any of them pay their obligations directly to Agent or Perkins, as appropriate. Upon demand by Agent or Perkins, Borrower shall enforce collection of any indebtedness owed to it by Account Debtors.

4.6 Inspection

Agent, the Investors and Perkins, from time to time at reasonable times and intervals, may inspect the Equipment and Inventory and inspect, audit and make copies of and extracts from all records and all other papers in the possession of Borrower.

ARTICLE V. INVESTORS' RIGHTS AND REMEDIES

5.1 General

Any material breach of this Agreement which is reasonably capable of being cured within 30 days of such breach but is not cured within such time shall constitute an Event of Default under this Agreement. Any Event of Default under the Notes shall constitute an Event of Default under this Agreement. Upon the occurrence of any such Event of Default, Perkins or Agent at the direction of the Majority Holders may exercise the rights and remedies of the Investors granted under the Purchase Agreement, the Notes, and under this Agreement and may exercise any other rights and remedies at law and in equity, including without limitation remedies available under the Uniform Commercial Code, simultaneously or consecutively, all of which rights and remedies shall 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. Borrower hereby acknowledges and agrees that Agent and Perkins are not required to exercise all rights and remedies available to them equally with respect to all the Collateral and that Agent or Perkins may select less than all the Collateral with respect to which the rights and remedies as determined by Agent or Perkins may be exercised.

5.2 Notice of Sale; Duty to Assemble Collateral

In addition to or in conjunction with the rights and remedies referred to in Section 5.1 hereof:

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

(b) If Agent or Perkins requests, Borrower will assemble the Collateral and make it available to the Investors at places that the Investors shall reasonably select, whether on Borrower's premises or elsewhere.

5.3 Disposition of Collateral

In addition to all rights and remedies provided in this Agreement or by law, if an Event of Default occurs, Agent or Perkins may dispose of any of the Collateral at public auction or private sale in its then present condition or following such preparation and processing as Agent or Perkins deem commercially reasonable. Agent or Perkins has no duty to Borrower to prepare or process the Collateral prior to sale. Agent or Perkins may disclaim warranties of title, possession, quiet enjoyment and the like. Such actions by Agent or Perkins shall not affect the commercial reasonableness of the sale. Further, Agent or Perkins may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.

ARTICLE VI. GENERAL PROVISIONS

6.1 Entire Agreement

This Agreement, together with the Purchase Agreement, the Notes and the other documents executed in connection herewith and therewith, sets forth all the promises, covenants, agreements, conditions and understandings between 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 or terminated only by an instrument signed by Borrower, Agent, upon written approval of the Majority Holders, and Perkins. Any waiver of rights must be made in writing, as appropriate, by Perkins or by Agent upon written approval of the Majority Holders.

6.2 Invalidity

If any provision 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.

6.3 Nonwaiver and Nonexclusive Rights and Remedies

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

(b) No delay or omission by Perkins, Agent or any Investor in exercising any right or remedy accruing upon an Event of Default shall impair any such right or remedy, 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.

6.4 Termination of Security Interest

When all the Secured Obligations of a relevant party have been paid in full or converted into equity securities of Borrower, the security interest of the relevant party provided herein shall terminate and Agent or Perkins, as appropriate, shall return to Borrower all Collateral then held by Agent or Perkins, if any, and upon written request of Borrower, shall execute, in form for filing, termination statements of the security interests herein granted, in each case at the expense of Borrower. Thereafter, no party hereto shall have any further rights or obligations hereunder.

6.5 Assignment

Borrower may not assign this Agreement nor any of its rights, interests or obligations hereunder without the prior written consent of Perkins and the Majority Holders; provided, that no such consent will be required in the event of: (a) the acquisition of all or substantially all the assets of Borrower or (b) the acquisition of Borrower by another corporation or entity by consolidation, merger or other reorganization in which the holders of Borrower's outstanding voting stock immediately prior to such transaction own, immediately after such transaction, securities representing less than fifty percent (50%) or more of the voting power of the corporation or other entity surviving such transaction. Except as otherwise provided herein, all rights of Perkins, Agent and the Investors hereunder shall inure to the benefit of their respective successors and assigns, and all obligations of Borrower shall be binding upon its successors and assigns.

6.6 Agent's and Perkins' Appointment as Attorney-in-Fact

(a) Borrower hereby irrevocably constitutes and appoints Agent and Perkins and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact, which shall be deemed coupled with an interest and shall be irrevocable, with full power and authority in the place and stead of Borrower and in the name of Borrower or in its own name, from time to time in Agent's or Perkins' discretion, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Agreement, including, without limitation: (i) to demand, sue for, and give an effectual discharge of any sum payable to Borrower for Collateral assigned to Agent or Perkins; (ii) to endorse in Agent's or Perkins' favor any negotiable instrument drawn in Borrower's favor in payment of the Collateral assigned to Agent or Perkins; (iii) to execute on behalf of Borrower any UCC financing statements, amendments thereto and continuations thereof (or similar statements of notice, registration, amendment or continuation under the laws of any jurisdiction), or other writing in connection with this Agreement or the Collateral as Agent or Perkins may require for the purpose of protecting, maintaining or enforcing the Collateral or the security interest granted to Agent or Perkins in the Collateral; (iv) to adjust, make, pursue, settle and collect any insurance claim in connection with this Agreement; and (e) to discharge taxes and encumbrances at any time levied or placed on the Collateral, except to the extent such as being contested by Borrower in good faith, or otherwise protect the Collateral, and to make repairs thereof. Borrower agrees to reimburse Agent and Perkins on demand for any and all expenditures made in connection with any of the foregoing powers exercised by Agent or Perkins hereunder.

(b) Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

(c) Borrower also authorizes Agent and Perkins, at any time and from time to time, to execute, in connection with the sale provided for in Article V hereof, any

endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

(d) The powers conferred on Agent and Perkins hereunder are solely to protect Agent's, the Investors' and Perkins' interests in the Collateral and shall not impose any duty upon Agent, any Investor nor Perkins to exercise any such powers. Agent, the Investors and Perkins shall be accountable to Borrower only for amounts that they actually receive as a result of the exercise of such powers, and neither Agent, the Investors or any of their officers, directors, employees or agents, nor Perkins shall be responsible to Borrower for any act or failure to act hereunder; provided, that Borrower is entitled to rely on directions to act and notice given by Agent as constituting directions to act or notice given directly from the Investors. By accepting the position as collateral agent, Agent represents to the Investors that Agent hereby agrees to act solely pursuant to directions given by the Majority Holders, except that Agent is authorized to take action without the direction of the Majority Holders if such action is deemed by it to be immediately necessary to: (i) avoid forfeiture of a right or remedy hereunder or (ii) to avoid loss or diminution of the value of the Collateral.

6.7 Performance by the Investors of Borrower's Obligations

If Borrower fails to perform or comply with any of its agreements contained herein and the Investors, as provided for by the terms of this Agreement, shall perform or comply, or otherwise cause performance or compliance, with such agreement, the expense of the Investors incurred in connection with such performance or compliance, together with interest thereon at the rate provided for in the Notes upon the occurrence of an Event of Default, shall be payable by Borrower to the Investors, in proportion to the principal amount of the Notes or such other basis as the Investors agree among themselves and Agent notifies Borrower, on demand and shall constitute Secured Obligations.

6.8 Governing Law

This Agreement and the rights and obligations of the parties hereunder shall be construed and enforced in accordance with and shall be governed by the laws of the state of Washington, without regard to the choice of law rules thereof.

6.9 Notices

Unless otherwise provided, any notice required or permitted under this Agreement shall be given in writing and shall be deemed effectively delivered (a) upon personal delivery to the party to be notified, (b) upon confirmation of receipt by fax by the party to be notified, (c) one (1) business day after deposit with a reputable overnight courier, prepaid for overnight delivery and addressed as set forth in (d), or (d) three (3) days after deposit with the United States Post Office, postage prepaid, registered or certified with return receipt requested and addressed to the party to be notified at the address indicated below, or at such other address as such party may designate by ten (10) days' advance written notice to the other party given in the foregoing manner.

If to Borrower:

OneName Corporation
Suite 300
18 West Mercer Street
Seattle, Washington 98119

With a copy to:

Perkins Coie LLP
1201 Third Avenue, Suite 4800
Seattle, Washington 98101
Attn: George M. Beal, Esq.

If to Perkins:

Perkins Coie LLP
1201 Third Avenue, Suite 4800
Seattle, Washington 98101
Attn: George M. Beal, Esq.

If to Agent:

[To such address as may be designated by the Agent to Borrower in writing.]

If to Investors:

At the addresses shown on the signature pages to the Purchase Agreement or to such other address as an Investor may designate in writing to the other parties.

6.10 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall constitute an original Agreement, but all of which together shall constitute one and the same instrument.

6.11 Dealings With Agent


Notwithstanding anything in this Agreement to the contrary, Borrower shall:

- (a) be entitled to rely upon the right, power and authority of Agent to act for and on behalf of the Investors in exercising the rights vested in Agent under this Agreement; and
- (b) not be obligated to reimburse the Investors for costs incurred in exercising the Investors' rights and remedies under this Agreement or under the Notes, other than the costs and expenses of Agent (exclusive, however, of any such costs and expenses incurred by Agent in dealing with disputes among the Investors as to the manner in which their rights are to be

protected). Borrower shall be entitled for all purposes to rely upon such agency arrangement unless and until given written notice signed by the Majority Holders that Agent no longer has such power and authority.

IN WITNESS WHEREOF, Borrower has caused these presents to be duly executed by its duly authorized signatory as of the day and year first above written.

ONENAME CORPORATION

By 
Title CHAIRMAN

SCHEDULE I**INVESTORS**

Name and Address of Purchaser	Loan Amount	Amount of Existing Notes Converted
George Aposporos 14 Garden Place Brooklyn, NY 11201	\$25,000	\$10,000
Washington Park Ventures LLC c/o Douglas A. Bevis, Manager 530 Hillside Drive East Seattle, WA 98112	\$100,000	\$100,000
John W. Jordan 1122 E. Pike St. No. 692 Seattle, WA 98122	\$100,000	\$100,000
B & S Investments c/o William Bauce P.O. Box 9240 Rancho Santa Fe, CA 92067	\$225,000	--
James D. and Sherry Raisbeck c/o Raisbeck Engineering, Inc. 4411 South Ryan Way Tukwila, WA 98178	\$125,000	\$125,000
James & Sherry Raisbeck Foundation c/o Raisbeck Engineering, Inc. 4411 South Ryan Way Tukwila, WA 98178	\$75,000	\$75,000
Robert (Bard) Richmond 3019 Perkins Lane W. Seattle, WA 98199	\$50,000	\$10,000
Dorsar Investment Co. LP c/o Elisa S. Varela 4855 N. Mesa St., Suite 120 El Paso, TX 79912-5939	\$100,000	\$100,000

SCHEDULE II

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[None]

SCHEDULE III

PATENTS

UNITED STATES

United States Patent Number 6,044,205 dated March 28, 2000

Communications system for transferring information between memories according to processes transferred with the information.

United States Patent Number 5,862,325 dated January 19, 1999

Computer-based communication system and method using metadata defining a control structure.

INTERNATIONAL

European Patent Application 97914826.9

An automated communications system and method for transferring information between databases in order to control and process communications.

Canada Patent Application 2247498

Communication system for transferring information between memories according to processes transferred . . .

Australian Patent Number 702509

An automated communications system and method for transferring information between databases in order to control and process communications.

SCHEDULE IV

TRADEMARKS

U.S. Service Mark Application No. 76/136,080

U.S. Service Mark Serial No. 76/185,433

OneName®

U.S. Service Mark Application No. 75/430,086