

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
EVERYBOOK, INC.	03/27/2008
RECEIVING PARTY DATA	
Name:	ESTARI, INC.
Street Address:	1800 Paxton Street
City:	Harrisburg
State/Country:	PENNSYLVANIA
Postal Code:	17104
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	5761485
CORRESPONDENCE DATA	
Fax Number:	(717)237-5300
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	717-232-8000
Email:	patents@mwn.com
Correspondent Name:	Holly J. Lawrence
Address Line 1:	100 Pine Street, P.O. Box 1166
Address Line 4:	Harrisburg, PENNSYLVANIA 17108-1166
ATTORNEY DOCKET NUMBER:	27018-0001
NAME OF SUBMITTER:	Holly J. Lawrence
Total Attachments: 8 source=A1274358#page1.tif source=A1274358#page2.tif source=A1274358#page3.tif source=A1274358#page4.tif source=A1274358#page5.tif	

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ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made this 27th day of March, 2008, by and between ESTARI, Inc. ("ESTARI"), of Dauphin County, PA and Everybook, Inc. ("EBI"), a Pennsylvania corporation.

Recitals

A. ESTARI is a Pennsylvania Corporation in good standing with an address for conducting business at 1800 Paxton Street, Harrisburg, PA.

B. EBI is the sole owner of certain patents, pending patents and/or provisional patents in dual screen technology hardware, software personal digital assistants and laptop computers, along with plans, designs, drawings, specifications and technology developments for the same.

C. ESTARI and EBI have previously entered into an exclusive, perpetual license agreement, identified as the Hardware and Patent License Agreement, dated February 18, 2002.

D. ESTARI wishes to purchase EBI's intellectual property, as more fully defined herein.

NOW, THEREFORE, in consideration of the covenants, warranties and representations set forth below, the parties hereto INTENDING TO BE LEGALLY BOUND, agree as follows:

1. Intellectual Property. EBI warrants and affirms that it is the sole owner of certain patents, provisional patents, patent applications, trade secrets, technology and other proprietary interests in dual screen technology and laptop computers. Said proprietary rights (hereinafter referred to as the "Intellectual Property") are more fully identified and listed on Schedule A attached hereto and made a part hereof. EBI further warrants that the Intellectual Property is not subject to any license agreements, user agreements, or any other agreements granting third parties the right to utilize, market or sell the Intellectual Property, excluding such license as previously provided to ESTARI.

2. Transfer of Ownership. EBI hereby transfers to ESTARI all ownership rights, moral rights, proprietary rights or any other legal or equitable rights, including the use of any name, trademark, insignia or copyrighted material, in both the Intellectual Property identified in Paragraph 2 above, as well as any other patents, provisional patents, patent applications, trade secrets, technology and other proprietary interests in dual screen technology and laptop computers it may own or its interests therein, along with any plans, designs, drawings, specifications and technology developments for the same. EBI agrees to sign any necessary documents reasonably required to effectuate this transfer or reasonably required to evidence to third parties ESTARI's ownership rights in the Intellectual Property.

3. Purchase Price. In consideration for the Intellectual Property received from EBI, ESTARI shall issue to EBI Five Hundred Twenty Three Thousand Nine Hundred and Seven (523,907) shares of common stock of ESTARI. Such shares shall be the only consideration required of ESTARI with respect to the transfer of the Intellectual Property under this Agreement. EBI shall execute and join in ESTARI's Shareholders Agreement and any Addendums thereto, and be fully bound thereby.

EBI further waives any right to any payment due it from ESTARI under any prior agreement, including, but not limited to, the Hardware and Patent License Agreement dated February 18, 2002. Said License Agreement shall be hereby deemed of no further force and effect, and EBI waives any right to payment or other consideration due it thereunder.

EBI confirms that prior to the execution of this Agreement, it has had the opportunity to ask questions of and receive answers from representatives of ESTARI concerning the finances, operations, business and prospects of ESTARI and the opportunity to obtain additional information to verify the accuracy of all information so obtained.

4. Representations and Warranties of Everybook.

(a) EBI owns all property rights (as defined below) in the Intellectual Property. The Intellectual property identified on Schedule A of this Agreement represents the entirety of all intellectual property rights, or interest in such rights, owned, in whole or in part, by EBI. As used herein, the term "INTELLECTUAL PROPERTY RIGHTS" shall mean all worldwide industrial and intellectual property rights, including, without limitation, patents, patent applications, patent rights, trademarks, trademark applications, trade names, service marks, service mark applications, copyright, copyright applications, franchises, licenses, inventories, know-how, trade secrets, customer lists, proprietary processes and formulae, all source and object code, algorithms, architecture, structure, display screens, layouts, inventions, development tools and all documentation and media constituting, describing or relating to the above, including, without limitation, manuals, memoranda and records.

(b) The EBI Intellectual Property consists of (i) all patents, copyrights, trademarks, service marks, any renewal rights for any of the foregoing, and any applications and registrations for any of the foregoing which are owned by EBI; (ii) all hardware products, software products, and services that are currently published, offered or under development by EBI; and (iii) all licenses, sublicenses and other agreements to which EBI is a party either as licensor or licensee or pursuant to which EBI has rights substantially equivalent to those of a licensor or licensee (other than standard non-exclusive hardware and software licenses arising from the purchase of "off the shelf" or standard products by EBI). The disclosures described in (iii) hereof include the identities of the parties to the relevant agreements, a description of the nature and subject matter thereof (including without limitation a description of all exclusivity, rights of first refusal, and noncompetition provisions), and the applicable royalty or summary of formula or procedure for divorcing such royalty.

(c) EBI is not, nor as a result of the execution or delivery of this Agreement, or performance of EBI's obligations hereunder, will EBI be, in violation of any license, sublicense or agreement to which EBI is a party or otherwise bound. Except as specifically described in the EBI Disclosure Schedule, EBI is not obligated to provide any consideration (whether financial or otherwise) to any third party, nor is any third party otherwise entitled to any consideration with respect to any exercise of rights by EBI or ESTARI in the Intellectual Property Rights.

(e) The use, manufacturing, distribution, licensing, sublicensing, sale, or any other exercise of rights in any product, work, technology or process as now used or offered or proposed for use, licensing or sale by EBI does not infringe on any copyright, trade secret, trademark, service mark, trade name, firm name, logo, trade dress, mask work or patent of any person; provided, however, that with respect to patent infringement, such representation is limited to EBI's knowledge. No claims (i) challenging the validity, effectiveness, or ownership by EBI of any of the EBI IP Rights, or (ii) to the effect that the use, distribution, licensing, sublicensing, sale or any other exercise of rights in any product, work technology or process as now used or offered, proposed for use, licensing, sublicensing or sale, or under development by EBI infringes or will infringe on any Intellectual Property Right of any person have been asserted or, to the best knowledge of EBI, are threatened by any person nor are there any valid grounds for any bona fide claim of any such kind. All granted or issued patents and mask works and all registered trademarks and all copyright registrations held by EBI are valid, enforceable and subsisting. To the best knowledge of EBI, there is no unauthorized use, infringement or misappropriation of any of the Intellectual Property by any third party, employee or former employer.

(f) No representation, acknowledgment, statement or warranty set forth in this Agreement contains any untrue statement or material fact or omits to state any material fact necessary to make the statements contained in this Agreement not materially misleading.

(g) The consummation of the transaction contemplated by this Agreement will not result in the breach of any term or provision of or constitute a default under any existing law, whether state, federal or international or any rule, regulation, order, decree, ruling, judgment or injunction of any court, government agency, authority or instrumentality or arbitrator and does not and will not conflict with or result in any breach of any term or provision of, or constitute a default under, or result in any acceleration of, any obligations under any commitment, trust, trust agreement or instrument or any other agreement by which either party is bound.

(h) Seller is not a party to any suit, action, charge, litigation, judicial, administrative or arbitration proceeding or governmental investigation, nor is there any outstanding order, writ, unsatisfied judgment, fine, injunction, citation, penalty or decree of any court, governmental agency or arbitration tribunal against Seller or affecting its assets, property or businesses.

(i) EBI has the full power and authority to enter into this Agreement, and this transaction has been properly approved by both EBI's Shareholders and Board of Directors.

(j) EBI was not acting within the scope of employment by any third party when conceiving, creating or otherwise performing any activity with respect to the Intellectual Property.

(k) EBI is not aware of any challenges with respect to the patentability or validity of any claims of any existing patents or patent application relating to the Intellectual Property.

(l) The company represents and warrants that it has exercised due diligence in securing the rights to intellectual property and is not aware of any questions or challenges with respect to the patentability or validity of any claims of any existing patents or patent application relating to dual screen technology.

(m) (1) EBI has paid all Taxes (as hereinafter defined) shown thereon or otherwise due, and has provided adequate accruals (without taking into account any reserve for deferred taxes) for any Taxes that have not been paid, whether or not shown as being due on any tax returns. Other than Taxes incurred in the ordinary course of business, EBI has no liability for unpaid Taxes accruing after the date hereof.

(2) The Intellectual Property is not subject to any liens for Taxes, other than liens for Taxes not yet due and payable; and no audit of any tax return of EBI is being conducted or, to the knowledge of EBI, threatened, by any applicable taxing authority.

As used herein, the term "Taxes" shall mean any and all taxes, fees, levies, duties, tariffs, imposts and other charges of any kind (whether or not imposed on EBI), imposed by any tax authority, including, without limitation, penalties and interest.

5. No Assumption of Liabilities.

(a) ESTARI does not assume and shall not assume any debt, encumbrance, obligation, contract, lease, or any other liability whatsoever (including tax liabilities) of EBI of any kind or nature, absolute or contingent, known or unknown, incurred or arising out of transactions occurring prior to or after the Closing Date (as defined below).

(b) Promptly after the execution of this Agreement, EBI shall file any and all applications and documents necessary to be filed by EBI to obtain any consents or approvals required to be obtained from any governmental agency or authority in connection with the transactions contemplated hereby. All costs and expenses, including legal fees and filing fees, relating to obtaining such approvals, if any, shall be the responsibility of EBI. EBI agrees to cooperate with ESTARI, if necessary, in obtaining any required approvals.

6. Indemnification. EBI shall indemnify and hold harmless ESTARI from all claims, actions, demands, losses, costs, expenses, liabilities and damages, including all costs of

suit and attorneys' fees and costs of investigation of claims made, for any claim against ESTARI for violation of a third party's copyright, patent, trademark protection or proprietary interest, or any other claim arising out of its use, bundling, marketing, sale or distribution of the specific Intellectual Property which is a part of this agreement. Indemnification shall not be required under this provision for any claim, action, demand, loss, cost expense, liability or damage for claims which is the fault of action by ESTARI. EBI hereby assigns and transfers any and all rights and responsibility for the Intellectual Property to ESTARI as of the date of this Agreement.

7. Assistance In Case of Infringement. EBI shall immediately notify ESTARI in the event he becomes aware of any threatened, actual or believed infringement of the Intellectual Property by a third party. In the event it is determined that a third party is infringing on any right, be it legal, moral, equitable or other, possessed by ESTARI in the Intellectual Property, EBI shall reasonably assist ESTARI in protesting such right.

8. Confidential Information. EBI will not use or disclose anything transferred to ESTARI hereunder or any other technical or business information or plans of ESTARI, except to the extent EBI can document that it is generally available (through no fault of EBI) for use and disclosure by the public without any charge, license or restriction. EBI recognizes and agrees that there is no adequate remedy at law for a breach of this section, that such a breach would irreparably harm ESTARI and that ESTARI is entitled to equitable relief (including, without limitations, injunctions) with respect to any such breach or potential breach in addition to any other remedies.

9. Bulk Sales. EBI shall fully comply with the requirements of Pennsylvania's "tax" bulk sales laws contained in the Pennsylvania Tax Reform Code of 1971, as amended, and the Pennsylvania Fiscal Code, as amended (collectively, the "Bulk Sales Laws") prior to and after the execution of this Agreement. For purposes of this Agreement, the steps required to comply with the Bulk Sales Laws include: (i) filing of a bulk sales notice with the Pennsylvania Department of Revenue and/or the Pennsylvania Department of Labor and Industry prior to the simultaneously with the execution of this Agreement, and providing a copy to ESTARI herewith; (ii) submitting a copy of an estimated tax report to ESTARI and filing the same with the Pennsylvania Department of Revenue within thirty (30) days after the date of execution of this Agreement, and (iii) to the extent EBI is liquidating all of its assets, filing a REV-181 Application for Tax Clearance Certificate for filing with the Business Clearance Section of the Pennsylvania Department of Revenue and the Clearance Unit of the Bureau of Employer Tax Operations of the Pennsylvania Department of Labor and Industry. In any and all events, EBI shall defend, indemnify, and save harmless ESTARI from any debts, liabilities, liens, claims, taxes, encumbrances, obligations or suits of any kind imposed upon ESTARI or upon any of the Intellectual Property by reason of, or based upon, arising out of, or caused by the failure of EBI to comply with the Bulk Sales Laws.

10. Governing Law and Modifications to Agreement. This Agreement shall be construed and governed under the laws of the Commonwealth of Pennsylvania. This Agreement may not be changed or modified except by a writing duly executed by all of the parties hereto. This Agreement contains the entire understanding of the parties, supersedes all prior oral or written agreements, and there are no other agreements, warranties or representations not set forth herein.

11. Notices. All notices, requests, instructions documents and other communications provided for herein or given hereunder shall be in writing and shall be deemed to be given (and thus received) two (2) days after being deposited in the United States mail, postage prepaid, by registered or certified mail. All notices shall be provided, as follows:

To EBI:

With a Copy to:

To ESTARI: Gary Cochard
1800 Paxton Street
Harrisburg, PA 17104

With a Copy to: Mark K. Emery, Esquire
Law Offices of Mark K. Emery
410 North Second Street
Harrisburg, PA 17101

12. Other Documents. Each party shall cooperate and take such action and execute such other and further documents as may be reasonably requested from time to time by any other party to carry out the terms, provisions and intent of this Agreement.

13. No Brokers or Brokerage Fees. ESTARI and EBI represent and warrant to each other that neither has dealt with a broker, finder or other person in connection with this transaction and that no such person has a right to a valid claim for any commission, fee or similar payment with respect to this transaction.

14. Severability. If any part of this Agreement shall be held or declared to be invalid or unenforceable, then this Agreement shall be construed and enforced as if such invalid or unenforceable provision were omitted.

15. Default. In the event either party defaults or otherwise breaches any term of this Agreement, then the party not in default/breach shall be entitled to all costs and attorneys' fees incurred in pursuing any legal or equitable claim arising thereunder including, but not limited to, injunctive relief, arbitration or litigation before a court of competent jurisdiction.

16. Time of the Essence. Time shall be of the essence to the performance of all terms and conditions hereof.

17. Counterparts. This Agreement may be executed in separate counterparts, each counterpart deemed an original and when combined represents the legal binding intent of the parties.

18. Right to Independent Review. EBI and ESTARI hereby acknowledge that they have had the right or opportunity to have this Agreement reviewed by their counsel of choice and have either exercised such right or have voluntarily waived their rights to such review prior to execution. EBI hereby further acknowledges that this transaction may have taxable consequences to it and has had the right or opportunity to have this Agreement reviewed by the tax professional of its choice and has either exercised such right or has voluntarily waived its rights to such review prior to execution. EBI acknowledges that it has not entered into this Agreement nor has been induced to do so based upon any representation by ESTARI.

IN WITNESS WHEREOF, the parties hereto have executed this Intellectual Property Agreement the day and year first above written.

ATTEST:

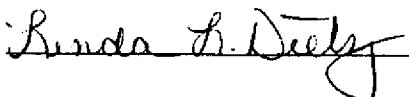
EVERYBOOK, INC

(Asst.) Secretary

By: 

ATTEST:

ESTARI, INC


(Asst.) Secretary

By: 

Peter Thomas, President

SCHEDULE A

Australian Patent	No. 702452
Canadian Patent	No. 2,231,807
Eurasian Patent	No. 199800504
United States Patent	No. 5761485
European Patent	No. 96 940 904.4
Japanese Patent	No. 3057945
Germany Patent	No. 29817181.3
China Patent	No. ZL 98241638.5