

FORM PTO-1595

1-31-92

06-03-1999

EET

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

101054863

To the Honorable Commissioner of
copy thereof.

the attached original documents or

1. Name of conveying party(ies):

THE SHARPER IMAGE CORPORATION

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

3. Nature of Conveyance:

[] Assignment [] Merger
[] Security Agreement [] Change of Name
[X] Other LICENSE AGREEMENT

Execution Date: JUNE 30, 1995

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

Name: ZENION INDUSTRIES, INC.

Internal Address: _____

Street Address: 5430 COMMERCE BOULEVARDCity: ROHNERT PARKState: CA Zip: 94928

Additional name(s) & address(es) attached?

[] Yes [X] No

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

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s)

B. Patent No.(s)

4,789,801; 4,271,452; 5,010,869

Additional numbers attached? [] Yes [X] No

5. Name and address of party to whom correspondence
concerning document should be mailed:Name: MICHAEL A. KAUFMANInternal Address: FLEHR HOHBACH TESTALBRITTON & HERBERT LLPStreet Address: SUITE 3400FOUR EMBARCADERO CENTERCity: SAN FRANCISCOState: CA Zip: 94111-41876. Total number of applications
and patents involved: THREE (3)7. Total fee (37 CFR 3.41):\$ 120.00

[X] Enclosed (check: \$40.00)

[X] Authorized to be charged to
deposit account (\$80.00)8. Deposit account number: 06-1300Please debit any underpayment or credit any
overpayment to the above deposit account.Our Order No. G-60327/RBC/MAK

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

DO NOT USE THIS SPACE

40 E

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.MICHAEL A. KAUFMAN

Name of Person Signing

Michael A. Kaufman

Signature

August 5, 1999

Date

Total number of pages including cover sheet, attachments and document: [21]

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks

Box Assignments

Washington, DC 20231

File No. G-60327/RBC/MAK

SF-608380-1

PATENT
REEL: 010024 FRAME: 0549

RE 6-2-99

FORM PTO-1595
1-31-92

RECORDATION FORM

DEPARTMENT OF COMMERCE
Patent and Trademark Office

PATENTS ONLY

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

1. Name of conveying party(ies):

THE SHARPER IMAGE CORPORATION

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

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

Name: ZENION INDUSTRIES, INC.

Internal Address: _____

Street Address: 5430 COMMERCE BOULEVARDCity: ROHNERT PARKState: CAZip: 94928

Additional name(s) & address(es) attached?

☐ Yes ☒ No

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☐ Assignment ☐ Merger☐ Security Agreement ☐ Change of Name☒ Other LICENSE AGREEMENTExecution Date: JUNE 30, 1995 andFEBRUARY 5, 1999

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B. Patent No.(s)

U.S. Patent No. 4,789,801

U.S. Patent No. 4,271,452

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involved: ONE7. Total fee (37 CFR 3.41):.....\$ 40.00☒ Enclosed☐ Authorized to be charged to
deposit account8. Deposit account number: 06-1000Please debit any underpayment or credit any
overpayment to the above deposit account.Our Order No. G-60327/RB/MAK(Attach duplicate of this page if paying by deposit
account)

DO NOT USE THIS SPACE

PATENT
REEL: 010024 FRAME: 055002/17/1999 JUNTILS 0000007
01 FC:581

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.

MICHAEL A. KAUFMAN
Name of Person Signing

Michael A. Kaufman
Signature

FEBRUARY 9, 1999
Date

Total number of pages including cover sheet, attachments and document: [21]

OMB No. 0651-0011 (exp. 4/94)

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Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks
Box Assignments
Washington, DC 20231

File No. G-60327/RBC/MAK

608380

LICENSE AGREEMENT

This Agreement, effective as of June 30, 1995, by and between Zenion Industries, Inc. (hereinafter referred to as Licensor), doing business at 5430 Commerce Boulevard, Rohnert Park, California 94928, and The Sharper Image Corporation,. (hereinafter referred to as Licensee), a Delaware Corporation, doing business at 650 Davis St., San Francisco, CA 94111.

WHEREAS, Licensor has, innovated, or developed certain methods and apparatus pertaining to ion momentum transfer for producing flow of ionizable dielectric fluid media without the aid of moving parts (hereinafter sometimes referred to as the "invention"), and including an electrokinetic technology that incorporates and embodies said invention including, but not limited to, the technology, information, knowledge and rights reflected in Exhibit A (hereinafter "Technology");

WHEREAS, Licensor represents and warrants that it is the sole owner of, and has full and complete rights to, the invention, Technology, Patent Rights and Know-how referred to herein; and whereas Licensor further represents and warrants that it has not granted, sold, leased or otherwise transferred any license regarding the Invention, Technology, Patent Rights or Know-how for products within the included fields of use defined herein to any other person, entity or business.

WHEREAS, Licensor has acquired certain information with respect to the invention and Technology, which includes engineering information, technical information, manufacturing data, materials, and know-how, for use in the hereinafter defined fields of use (all hereinafter referred to collectively as "know-how");

WHEREAS, Licensor desires to enter into a license agreement with Licensee under which Licensee will make use of, manufacture, and sell Technology in products embodying the invention, patent rights, related to the Invention and Technology ("Patent Right(s)"), and know-how;

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, the parties hereto agree and have agreed as follows:

1. GRANT: Licensor grants to Licensee a restricted exclusive license to manufacture or have manufactured for it, use, and lease and sell throughout the world, products related to Air Treatment, within the included fields of use defined hereinafter, for the entire term of this Agreement. Licensor also grants to Licensee a restricted exclusive License to all of Licensor's rights in any improvements or refinements in the Invention, Technology or Know-how, including any additional patent rights, regarding any and all products within the included fields of use.

Notwithstanding the foregoing, Licensor shall retain the right to manufacture, or have manufactured for licensor products within the included field of use until such time Licensee aggregate royalty payment reach \$100,000.00 per year at which time the License shall become and remain a unrestricted Exclusive License as long as \$100,000.00 or above in royalties are paid to Licensor. Licensor agrees that it will not

advertise, market, distribute, promote or sell Licensor's Product which are packaged or marked the same as Licensees products during the term of this agreement.

2. FIELD OF USE:

A> The included fields of use within and for which this restricted exclusive license is granted are:

Consumer Products Only

- 1) Air Treatment
- 2) Odor Control
- 3) Air Movement
- 4) Non High Fidelity sound

B. Exclusions

- 1) Scientific Products
- 2) High Fidelity Sound Products
- 3) Industrial Products
- 4) Automotive Fuel Mixturing
- 5) Forced Air Heating Systems (HVAC)
- 6) Radioactive Air Treatment
- 7) The foregoing fields of use shall exclude all other fields of use including but not limited to those

listed above.

3. IMPROVEMENTS: Improvements applicable to the Technology, which are made or acquired by Licensor or their licensees in fields of use other than the included fields of use during the term of this Agreement shall be included within the patent rights and know-how herein granted.

4. TECHNICAL SUPPORT: Licensor shall provide Licensee with technical support to insure final product design meets all applicable government and industry standards, complies with all governmental regulations, obtains all necessary governmental approvals and is in compliance with the defined product application of the Technology. Licensor's technical support shall include, but not be limited to, the following free material and services:

- 1) Three complete sets of schematic drawings and technical descriptions of the Invention, Technology and any improvements or modifications thereto;
- 2) One each of the prototype electronic modules
- 3) A initial 3 free hours of engineering consultation at Zenion's facility
- 4) Two hours personal and/or fax/telephone engineering consultation Prototype, engineering, and scientific support per month during the term of this Agreement; provided, however, that said hours shall not accumulate if not used within said month. Thereafter, Licensee shall pay for technical support services at a rate not greater than \$100 per hour.

5. COMPONENT BUY-BACK PROVISION: Licensee agrees to sell to Licensor the offshore electronic product subassemblies (or a slight component variation thereof) for an amount not to exceed 15 percent (15%) above Licensee's landed cost. Minimum purchase quantity shall be 500 units. Mark up shall decrease by 1 percent (1%) at 5,000 units, 2 percent (2%) at 10,000 units, 3 percent (3%) at 25,000 units, and 4 percent (4%) for amounts above 50,000 units. It is understood and

agreed Licensor will not use or permit to be used Licensor's purchased products in any exact or near exact packaging configuration of Licensee's Products during the Restricted term of this agreement. At such time as the restricted provision of the agreement is removed (see paragraph 1) Licensor will not use or permit to be used Licensor's purchased or similar products in any market which is determined by Licensee, directly or indirectly competitive.

6. PRODUCT RESPONSIBILITY/INDEMNIFICATIONS: Licensor shall have the right to approve or reject all design changes of products which involve or affect the Invention or Technology ("Technology Changes") and shall bear responsibility for the design safety and regulatory compliance of the Invention, Technology and Technology Changes. Approval or rejection by Licensor under this section shall not be unreasonably withheld. Licensor shall hold Licensee harmless against and indemnify Licensee from any damages, expenses or other injury arising from the Invention Technology or Technology Changes utilized by Licensee pursuant to this Agreement, provided the injury does not arise from the manufacture of products not approved by Licensor.

Licensor shall have five (5) working days to review design changes and either approve or disapprove same. In the event Licensor does not respond to proposed engineering or design changes within seven (7) days after receipt, Licensor shall be deemed to have approved the proposed changes.

Licensee shall be responsible for all product liability associated with the manufacture, artistic design, product claims, marketing and distribution of the Consumer Air Treatment Products. Licensee shall

hold Licensor harmless against and indemnify Licensor from any damages, expense or other injury arising from such product liability associated with the improper manufacture, artistic design, product claims, marketing and distribution of the Consumer Air Treatment Products, except for injury arising from utilization of the Invention, Technology or Licensor approved Technology Changes.

7. TRAVEL AND EXPENSES: Provided Licensee requires technical in-person support as herein described in Item 5, Sec 3, above, Licensee shall prepay Licensor's technical expert and associate reasonable travel expense, meals and accommodations. Licensee shall also pay the hourly rates, not to exceed \$100 per hour, for any expert or associate consultation fees for technical support in excess of the free technical support provided herein.

8. ROYALTY: Licensee will pay to Licensor a royalty of 6 percent (6%) of the factory net selling price of all products utilizing licensed Technology within the heretofore defined field of Use. All royalties are payable quarterly on net invoice sales less returns and allowances. A Baseline product valuation shall be determined for all products Licensee produces and sells using the Licensed Invention and Technology. The baseline selling price valuation shall be the amount which the Licensee shall be obliged to pay a royalty of 6 percent (6%). Licensee shall not be obliged to pay royalties for additional features, functions or products not based upon the invention or Technology which Licensee may elect to add as features to the Licensed Invention or Technology.

9. ADDITIONAL COMPENSATION: Licensee shall pay to Licensor the sum of \$10,000 at the signing of the Agreement as a "Good Faith Consideration" for development cost already incurred by Licensor. Licensee shall also pay to Licensor the sum of \$10,000 as advance on first year minimum royalty. Further, Licensor shall be reimbursed for all future technical support required by Licensee in excess of Licensee's monthly allotment at a rate not to exceed \$100 per hour as provided herein.

10. ROYALTY REPORTS: Within thirty (30) days following the end of each of Licensee's fiscal calendar quarters, commencing with the fiscal calendar quarter within which Licensee's products are first introduced to customers of Licensee, Licensee shall send to Licensor a report of the products sold by Licensee in the preceding fiscal calendar quarter, showing the quantities and the calculation of royalties as required by the foregoing, and which report shall be accompanied by the required royalty payment. Licensee shall maintain complete and accurate records of products sold during the respective periods of time and the calculation of royalties due. A registered or Certified Public Accountant appointed by Licensor shall be entitled to inspect Licensee's records that pertain to the products, during reasonable business hours and on reasonable notice, for the purpose of verifying the completeness and accuracy of all reports by Licensee for Licensor.

11. MINIMUM ROYALTY: Subject to the Conditions on Royalty Payments provided below, the commencement of the ninth month following the date that the product is first introduced to the market, the balance, if any, of the minimum irrevocable royalty of \$30,000 shall be paid. Thereafter, irrevocable minimum royalties shall be paid on the following schedule:

For the Second Year:

\$40,000

For the Third Year:

\$50,000

Said second and third year minimum royalties shall be paid within thirty (30) days following the beginning of the ninth month of each such year. Minimum royalties shall be due for the fourth year and follow on years thereafter at a rate of \$60,000 per year.

12. CONDITIONS ON ROYALTY PAYMENTS: With the exception of the \$20,000 payment to be paid upon execution of this Agreement, Licensee's obligation to pay royalties under this Agreement, as well as all other obligations of Licensee herein are expressly conditioned upon obtaining government approvals, industry approvals and the successful development, manufacture, production, marketing and sale of products incorporating Licensed Technology. Licensors and Licensee understand and agree that should any unforeseen and/or substantial difficulties arise with respect to government or industry approvals or the development, manufacture, production, marketing or sale of said products, or if in Licensee's sole discretion the production and sale of said products becomes or appears not to be cost effective, Licensee may terminate this Agreement upon 30 days notice and extinguish all obligations it has hereunder including, but not limited to, the obligation to make further minimum royalty payments after the date of said notice.

13. PATENTS: Licensee shall be granted use of Licensors' existing and future national and international patents within the field of use and product definition provided in Exhibit A.

Should Licensee choose to patent products beyond the patent intent or desire of Licensors and which solely utilize Licensors' technology and

know-how, Licensee shall be obligated to represent Licensor as co-inventor, bear all expenses with the acquisition, prosecution, annuities and defense of such patents. Further, such additional patents shall not affect this Agreement. Licensee shall not be responsible for the expense of existing patent annuities, defense and cost of existing or future sole patents by Licensor which may in part be included in the Agreement.

14. PATENT EXPENSES: Licensee agrees that all expenses of filing, prosecuting, issuing, and maintaining all patent applications and patents on inventions embodying or relating to the Invention and/or Technology, filed in the United States as well as in foreign countries selected by Licensor shall be paid by Licensor as they may agree and decide. Should Licensor decide at any time against filing, prosecuting, issuing, or maintaining any new application or patents in the United States or in any particular foreign country, Licensee may, at its election, agree to pay the expenses for Licensor to file, prosecute, issue, and/or maintain such application or patent. Licensor agrees to fully cooperate in filing, prosecuting, applying for, obtaining and maintaining such application or patent. Further, Licensor agrees that any patents obtained, filed, prosecuted, issued and/or maintained through payment of expenses by Licensee under this section shall be promptly transferred and assigned to Licensee as Licensee's sole property.

Licensor agrees to cooperate in connection with the filing and prosecution of any such patent applications by Licensee.

15. PATENT STATUS: Licensor agrees to keep Licensee fully informed at all times as to the current status and progress of all developments in the technology and of all applications for patent filed

by Licensor, both domestic and foreign, and patents issued thereon, and agrees to reciprocate as to any domestic and foreign applications it may elect to file, prosecute, issue, or maintain in accordance with this agreement.

16. JOINT INVENTIONS: In the event Licensee or its employees make new inventions jointly with inventors or Licensor, and Licensee determines that it desires to patent such inventions, then Licensee shall bear all patent application expenses in the named joint inventorship. Licensor and Licensee understand and agree that any design patents or other patent rights regarding the products within the included fields of use which are created, invented, obtained, purchased or otherwise acquired solely by Licensee shall be Licensee's sole property.

17. GRANT BACK UNDER INVENTIONS: Should Licensee invent, or acquire rights from others to inventions, improvements, or additions to the technology, or add features to the products that Licensee believes to be patentable, Licensee may in its sole discretion file and prosecute, at its own expense, one or more patent applications in the United States and/or foreign countries for such inventions, improvements, or additions, and acquire title thereto; provided, however, that except for design patent applications or patents pertaining to the ornamental external appearance of products, Licensee agrees to provide royalty-free license back to Licensor with respect to all fields of use for which rights have been reserved to Licensor under this Agreement.

18. A. INFRINGEMENT OF PATENT RIGHTS: If any of the patent rights granted hereunder appear to be infringed by a third party, the party hereto becoming aware of any such infringement shall promptly notify each other party hereto. Licensee shall have the right, but not the obligation, to notify the infringer if infringement involves Licensee's "Field of Use" and control litigation or legal proceedings seeking to abate and/or recover damages for such infringement. Licensee shall not be obligated to enforce patent infringement outside its heretofore defined "Field of Use." However, Licensee may elect to be joined, if necessary and without legal expense to Licensee, as an involuntary party in such legal proceedings.

If Licensee elects not to control litigation or legal proceedings seeking to abate and/or recover damages for infringement within its "Field of Use," Licenser shall have the right, but not the obligation, to do so. In the event Licenser elects to initiate and control legal proceedings and be solely responsible for expenses in doing so, Licensee shall not be entitled to retain awarded damages from a lawsuit against an infringer.

Each party shall reasonably and fully cooperate with the other, whether or not joining or being joined, in the conduct of the proceedings.

B. DEFENSE OF INFRINGEMENT ACTION: Licenser will assume the defense of any claim brought against Licensee or its vendees for infringement of any United States or foreign patents where applicable or for wrongful use of proprietary information of any third party insofar as the claim alleges that the infringement or wrongful use is attributable to Licensee's utilization of the Invention, Technology or know-how. In any such defense, Licenser will indemnify Licensee against

any damages or costs awarded and expenses incurred in litigation, arbitration or other resolution of the claim. Licensee shall immediately inform Licensor of any such claim or shall reasonably cooperate in Licensee's defense thereof.

Licensee will assume the defense of any claim brought against Licensor for infringement of any United States or foreign patents where applicable or for wrongful use of proprietary information of any third party insofar as the claim alleges that the infringement or wrongful use is attributable to Licensor's utilization of the manufacture, artistic design, product claims, marketing and distribution of the products. In such defense Licensee will indemnify Licensor against any damages or costs awarded and expenses incurred in litigation, arbitration or other resolution of the claim. Licensor shall immediately inform Licensee of any such claim or shall cooperate in Licensee's defense thereof.

19. APPLICABLE LAW: This Agreement shall be construed in accordance with the laws of the State of California.

20. NOTICES: All notices under this Agreement shall be given at the addresses stated below, unless a substitute address has been provided in writing by an appropriate notice, in which case such substitute address shall be used. Any notice shall be addressed to the attention of "Office of the President." Any notice may be sent by receipted hand delivery, certified mail/return receipt requested, or by telecopy, and shall be effective as of the date and time sent.

The addresses for notice are:

Sharper Image Corporation

Richard Thalheimer

Office of the President

650 Davis Street

San Francisco, California 94111

Zenion Industries, Inc.

Jim L. Lee

Office of the President

5430 Commerce Blvd.

Rohnert Park, Calif. 94928

In addition, any notice to Licensee shall also be sent to:

Paul D. Gutierrez, Esq.

Gutierrez & Associates

300 Montgomery, Penthouse

San Francisco, California 94133

21. BREACH: In the event of a breach of this Agreement, the party adversely affected may terminate this Agreement after giving 30 days written notice that specifies the alleged breach. Such notice of breach, however, shall be ineffective if the defaulting party cures the breach within 30 days of notice thereof.

22. WAIVER: No waiver, negligence, relaxation, or delay by any party hereto in enforcing any of the terms and conditions of this Agreement, or by the granting of an extension of time by any one party to another, shall prejudice, affect, or restrict the rights, powers, and duties of any of the parties hereto.

23. ASSIGNMENT: This Agreement may be assigned by any party to the successor of that party to the entire business related hereto.

24. SUCCESSORS AND ASSIGNS: This Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns, and the controlled and controlling companies of the respective parties hereto.

25. MARKING: Licensee agrees to use its best efforts to comply with the statutory requirements in manufacturing products with markings reflecting the applicable patent numbers. Use of marking in promotional materials shall be discretionary with Licensee.

26. RIGHTS ON TERMINATION: Upon termination of this Agreement, prior to the expiration of the full terms of the patent or patents and any further application, Licensee shall be under no obligation to maintain any information relating to the products in confidence or secret; provided, however, Licensee shall have the right to dispose of existing inventory, provided it pays royalties in accordance with this Agreement.

27. TERM OF LICENSE: This Agreement will commence upon signing and remain in effect for a period of three (3) years beginning from date of market introduction of products which is estimated to be not later than January 1, 1996.

28. RENEWABILITY: After the completion of the initial three (3) year term of this Agreement, provided Licensee is not in default, this Agreement will automatically renew for an additional three (3) year term provided Licensee gives Licensor notice to do so ninety (90) days prior to the scheduled expiration of this Agreement. Such a renewal shall embrace all of the provisions of the initial Agreement including, but not limited to, the minimum fourth year royalty payment of \$60,000 per year for subsequent renewal years.

29. FORCE MAJEURE Licensee shall not be held liable for or in breach or default hereunder with respect to royalty payments, including minimum royalty payments, if it is unable to make and sell products due to circumstances beyond its reasonable control, and that the exercise of reasonable diligence is unable to prevent, including but not limited to circumstances resulting from earthquake, flood, drought, hurricane, or other natural disaster, fire, explosion, peril of the sea, accident, war, riot, civil commotion, sabotage, strike, delay, unavailability of transportation, embargo, and good-faith compliance with laws, acts, rules, regulations, orders, or directions of any governmental authority or any person purporting to act therefore; provided, however, that its obligations set forth with respect to payment of minimum royalties shall be extended for a period of time corresponding to the length of time during which any such impediment endured.

30. AMENDMENTS TO AGREEMENT: Any amendment to this Agreement must be in writing and signed by the parties affected by the same. If the amendment affects the rights and obligations of the parties with respect to the filing, prosecution, issuance, enforcement, or defense of patent rights, or the defense of patent infringement charges, accusations, or suits brought against Licensee by a third party, it must be signed by Licensor.

31. USE OF COMPETING TECHNOLOGY: In the event Licensee markets a device that is directly competitive with the technology, but that is not covered by the patent rights or the know-how and for which no royalties are payable by Licensee to Licensor under the terms of this Agreement, the license granted herein shall automatically become a non-exclusive

license, without any other changes to the Agreement, or, at the option of Licensee may terminate this Agreement by giving Licensor a three-month written notice thereof, in which event the Agreement shall terminate at the end of said three months as elsewhere provided herein.

32. ARBITRATION: Any dispute under this Agreement shall be settled by arbitration in California pursuant to the rules, then obtaining of the American Arbitration Association.

33. INTEGRATION: This Agreement represents the full and complete understanding of the parties hereto, and supersedes any prior understanding or agreement between the parties hereto.

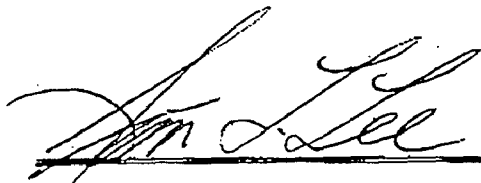
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the effective date first above mentioned.

Signed:

Zenion Industries, Inc.

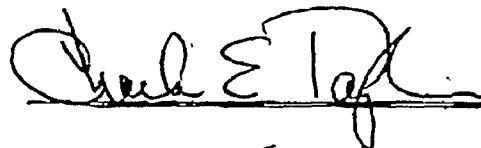
Signed:

The Sharper Image, Inc.

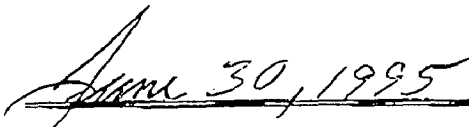


Jim L. Lee

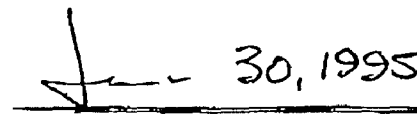
President



CHARLES E. TAYLOR
VICE PRESIDENT



Date



Date

DEFINITION OF TECHNOLOGY

The technology consists of a unique design method of employing a number of physics principals to effect a safe and energy efficient means to produce and direct atmospheric ions to perform specific work functions, namely to convert electrical energy to mechanical energy. The primary principals of physics utilized are as follows:

- 1) Electrokinetics
- 2) Ion Momentum Transfer
- 3) Electrostrictive Hydrodynamics
- 4) Dielectrostrictive Hydrodynamics
- 5) Electrophoresis
- 6) Dielectrophoresis
- 7) Electrogravitics
- 8) Electrokinetic Transducing Methodology

The hardware designs associated with the application of these principals consist of a "State of the Art" low cost electronic power source which converts either line or battery voltage sources to the necessary high voltage potentials required to produce and direct atmospheric ions. The high voltage potentials may range from current limited D.C. voltage to modulated bipolar voltage pulses depending upon the desired effect. Particular uniqueness in the electronic and mechanical designs are evidenced in its small size, low cost, non toxicity, user friendly and environmentally safe multiple configurations.

Finally, the Technology includes all patented innovations included in U.S. patents 4,789,801; 4,271,452; 5,010,869; Canadian Patents 1127719; 1332435 and all currently like patents pending in the P.E.C.

AMENDMENT TO LICENSE AGREEMENT

This Amendment is made effective February 5, 1999, by and between Zenion Industries, Inc. ("Licensor") and The Sharper Image Corporation ("Licensee") as to that certain License Agreement between them dated effective as of June 30, 1995.

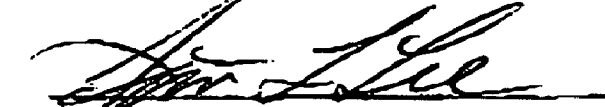
The parties hereby agree as follows:


1. Unless otherwise defined in this Amendment, all capitalized terms shall have the same meanings as defined in the original License Agreement.
2. Term of License. The parties acknowledge that the date of market introduction of the products originally estimated to be January 1, 1996, did not occur until October 1, 1997. Therefore, Section 27 "Term of License" of the License Agreement is amended to provide that the Agreement will commence upon signing and remain in effect for a period of three (3) years beginning from October 1, 1997. Section 28 "Renewability" shall remain in effect.
3. Sublicensing. The parties hereby confirm and agree that the restricted exclusive rights granted to Licensee by Licensor in Section 1 "Grant" include the right to sublicense those rights to third parties subject to compliance with all of the other provisions of the Agreement, as amended. The Licensee shall notify the Licensor within thirty days of the sublicensing of any rights in the Technology and shall confirm that the sublicensee has agreed in writing to be bound by the provisions of this Agreement and that a copy of this Agreement and all amendments has been attached and incorporated as an Exhibit to the sublicense agreement with the sublicensee. The Licensee and the Licensor shall share one-half each all royalties paid by the sublicensee under the sublicense, including one-half of all advances against future royalties. The Licensee shall remain responsible for compliance (by itself and its sublicensees) with all of the Licensee's obligations under this Agreement.
4. Royalty Reports. Section 10 "Royalty Reports" is amended to provide that reports shall be calculated, reported, and paid on a calendar quarter, rather than a fiscal quarter basis. For example, royalties for the period October through December shall be calculated, reported, and paid by January 30.
5. Continuation of Agreements. Except as specifically set forth in this Amendment, the License Agreement (as previously amended) shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties have signed this Amendment effective the date set forth above.

Zenion Industries, Inc.

Sharper Image Corporation


By: Jim Lee
President

 2/5/99
By: Charles E. Taylor
Vice President, TSI Design

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