

08-05-2002



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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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and Trademarks:
s) or copy thereof.

1. Name of conveying party(ies):
Beacon Light Products, Inc.

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

7-30-02

Name: Speed of Light Technology, LLC

Internal Address: _____

Street Address: 3921 Sunset Boulevard

City: St. Louis Park State: Minnesota ZIP: 55416

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

3. Nature of conveyance:

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

Additional name(s) & addresses attached?

Yes No

Execution Date: May 2, 2002

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)

RE35,220 of 04/30/96	5,214,354 of 05/25/93
5,030,890 of 07/09/91	5,504,394 of 04/02/96
5,126,634 of 06/30/92	5,504,395 of 04/02/96

Additional numbers attached? Yes No

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

6. Total number of applications and patents involved: 5

Name: Lawrence M. Nawrocki

7. Total fee (37 CFR 3.41) . . . \$240.00

- Enclosed
- Authorized to be charged to deposit account

Address: NAWROCKI, ROONEY & SIVERTSON, P.A.
3433 Broadway Street N.E., Suite 401
Minneapolis, MN 55413

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.

Lawrence M. Nawrocki
Name of Person Signing

Lawrence M. Nawrocki
Signature

July 19, 2002
Date

Total number of pages comprising cover sheet, attachments and document: 9

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

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LICENSE AGREEMENT

This Agreement is by and between Beacon Light Products, Inc., an Idaho corporation, located at 723 West Taylor Avenue, Meridian, Idaho 83642 ("Beacon"), and Speed of Light Technology, LLC., a Minnesota limited liability corporation, located at 3921 Sunset Blvd., St. Louis Park, MN 55416 ("SolTec")

1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

a. "Licensed Patents" shall mean U.S. Patent Nos. Re. 35,220; 5,030,890; 5,126,634; 5,214,354; 5,504,394 and 5,504,395 and any reissues and reexaminations thereof.

b. "Licensed Product" shall mean a product falling within the scope of any claim of any of the Licensed Patents that uses a triac and a ASIC based device that either fits into the base of a light bulb or attaches to the end of a light bulb and uses a power interruption to cause the device to step to the next programmed function or intensity level.

c. "Effective Date" shall mean the date of the last signature to this Agreement.

d. "Licensed Field" shall mean any and all markets and distributions worldwide, with the exception of nonexclusive rights in Australia and no rights in Japan.

e. "Net Selling Price" shall mean gross invoice selling price, less discounts, patent defense fund reserves (to the extent that they do not exceed 1% of total net sales of Licensed Products), sales taxes, customs, tariffs duties, use taxes, transportation and returns.

2. License. Beacon hereby grants to SolTec an exclusive license under Licensed Patents in Licensed Field for the life of Licensed Patents, with full rights to sublicense. Beacon retains no rights to Licensed Products in the Licensed Field.

3. Economic Terms.

a. Royalties. SolTec shall pay to Beacon with respect to each sale or other disposition of Licensed Products in the United States by Sol Tec or any sub licensee of SolTec a, royalty of 3% of the Net Selling Price of Licensed Products.

b. Advance Against Royalties. SolTec shall pay to Beacon, \$10,000.00 as an advance against royalties and shall be credited against the first royalties due to Beacon. Such payment shall be made no later than January 1, 2003. Failure to make the Advance Against Royalties payment shall result in immediate termination of this Agreement.

4. Royalty Documentation.

a. Reports and Payments. Royalties payable pursuant to this Agreement shall be calculated and paid on a quarterly bases, not more than 60 days after the last day of the calendar quarter in which sale or other disposition of Licensed Products is made by SolTec. SolTec shall deliver to Beacon, along with its payment of royalties due for each calendar quarter, a written report showing, in reasonable detail, sales and other disposition of Licensed Products giving rise to a royalty payment with respect to such quarter and the calculation of royalties payable with respect to such sales and other dispositions.

b. Records and Inspections.

1. SolTec shall keep true and complete books and records in which all royalty-bearing sales and other dispositions of Licensed Products shall be reflected, along with the amount of

royalties payable to Beacon under the terms of this Agreement. SolTec shall maintain such books and records with respect to each quarter during the term of this Agreement for a period of at least three years after the end of such quarter.

2. During the term of this Agreement and for a period of one year after the last quarter in which SolTec is obligated to pay royalties to Beacon hereunder, Beacon shall have the right, at its expense and upon reasonable notice to SolTec, to have SolTec's books and record examined by an independent auditor, who shall only inform Beacon whether or not reports furnished by SolTec to Beacon under this Agreement are accurate, and, if not, the correct numbers. Beacon shall not have any such examination made more than once a year.
3. In the event that an error is discovered in the calculation of the amount of royalties payable to Beacon, the party the received benefit of the error shall promptly thereafter pay to the other the amount of overpayment or underpayment, as the case may be.

5. Assignments and Sublicenses.

- a. Assignment. Each party shall have the right to assign its rights and obligations under this Agreement, with written notice given to the other party.
- b. Sublicenses. SolTec shall have the full and unrestricted right to grant sublicenses of Licensed Patents in the Licensed Field. Notwithstanding the provisions of Section 8 regarding proprietary or confidential information, any sublicense hereunder may be accomplished by communication of such proprietary and confidential information which is necessary or desirable to accomplish the purpose of such sublicense. Any such sublicense must contain the provision of Section 11 of this Agreement.

6. Manufacturing Documentation. Beacon shall, within ten days of the Effective Date, deliver to SolTec all documentation presently in existence and disclosing information pertinent to the manufacturing of Licensed Products, including, but not limited to, reliability, triac selecting, material selection, environmental consideration and UL listing. SolTec understands that Beacon may have limited documentation and knowledge of the condition of available tooling. Beacon agrees to use its best efforts to locate any such documentation.

7. Trademarks. SolTec shall have the right to the use of any existing trademarks, owned or developed by Beacon and used with the Licensed Patents herein, including the Smart Bulb® and Bulb Boss® trademarks. However the Soft Start® trademark may be used only with the written permission of Beacon which describes the specific use of the Soft Start® trademark. Beacon agrees that such permission shall not be unreasonably withheld.

8. Improvements.

a. Improvements by Beacon. If Beacon improves upon the technology disclosed in Licensed Patents, Beacon shall promptly give SolTec written notice of such improvement(s) and provide to SolTec such documentation as is reasonably necessary for SolTec to understand and use such improvements. Any patent(s) thereon shall become Licensed Patent(s).

b. Improvements by SolTec. If SolTec improves upon the technology disclosed in Licensed Patents. SolTec shall own such technology and the right to obtain patents thereon.

9. Patent Maintenance. Beacon shall maintain Licensed Patents. In the event that Beacon fails to maintain any Licensed Patent, SolTec shall have the right, in addition to any other remedies for such breach, but not the obligation, to so maintain on Beacon's behalf, at SolTec's expense, and, as may be required by applicable law, in Beacon's name. Beacon hereby grants to SolTec such irrevocable powers of attorney as may be necessary or convenient for SolTec to perform any of such maintenance.

10. Third Parties.

a. Third-Party Claims.

(1) Each party hereto shall promptly notify the other party in writing of any legal proceeding instituted, or written claim or demand asserted by any third party, of which such party becomes aware, with respect to any patent infringement, which is alleged to result from the manufacture or sale of Licensed Products.

(2) Beacon has no knowledge that Licensed Products do or would infringe any third-party's patents, but makes no representation or warranty that there is no infringement of any third-party's patents.

b. Third-Party Infringement.

(1) Each party shall give the other prompt notice of any activities or threatened activities of any third parties of which it becomes aware that infringe or will infringe Licensed Patents in Licensed Field ("Infringing Activities").

(2) SolTec shall have the right to determine, in its sole discretion, the action, if any, that is to be taken in response to any Infringing Activity of which it becomes aware. If SolTec brings an action to prevent any infringing Activities pursuant to its right to do so in this subsection, SolTec shall have the right to institute such action in its own name, in the name of Beacon or in the name of both parties, and shall have exclusive control of such action. SolTec shall bear its out-of-pocket costs of instituting, maintaining and settling such action, and shall have the right to retain any recoveries or proceeds from judgement on, or settlement of such action.

11. Limitation of Liability. Beacon agrees to indemnify and hold SolTec and its officers, directors, employees and agents harmless from and against any claims, demands, losses, damages or expenses, to which any of these persons may become subject as a result of the performance by SolTec of its obligations, hereunder and as a direct result of a flaw in the applied technology of the Licensed Patents herein. A flaw in the technology shall not include, regulatory limitations that did not exist in 1995, regulatory or customer requirements that limit radiated or conducted EMI, or any requirements to operate the device above 125° C. Beacon agrees to reimburse SolTec and each such other person, for any legal or other expenses incurred in connection with investigating or defending such claims, demands, losses, damages or expenses, absent the gross negligence or willful misconduct of SolTec or such other persons. This Limitation of Liability shall be enforceable only to Beacon or its assigns. The Limitation of Liability shall not extent to a future owner of the Licensed Patents who acquired the titles to the Licensed Patents through either a bankruptcy proceeding or the execution of lien rights. Further, there shall be no liability under this paragraph to Beacon or its assigns in the event SolTec acquires the Licensed Patents.

12. Validity. Beacon has no knowledge of prior art that would invalidate Licensed Patents and has no knowledge that any other requirement of the United States Patent Act (Title 35) has not been complied with, but makes no representation or warranty that Licensed Patents are valid.

13. Confidential Information.

a. Protection of Confidential Information. SolTec and Beacon each acknowledge that, during the term of this Agreement, it will have access to proprietary or confidential information including, without limitation, documents or other items which have been marked or otherwise identified as confidential or proprietary in nature, related to Licensed Patents and to the business or business practices of the other party. Each party shall use its best efforts to protect the proprietary or confidential information of the other party in the same manner in which it protects its own proprietary or confidential information, and shall not use proprietary or confidential information of the other party for its own benefit or the benefit of any other person or entity, except as may be specifically permitted hereunder. In addition, neither party shall disclose to any person or entity any of the terms or conditions of this Agreement.

b. Exceptions to Confidential Treatment. The obligations of confidentiality and non-use imposed under this section shall not apply to any confidential or proprietary information of one party which:

(1) was known by the other party prior to the date of this Agreement and not obtained or derived, directly or indirectly, from such party, or, if so obtained or derived, was lawfully obtained or derived and is not held subject to any confidentiality or non-use obligation provided, however, that this exception shall not be construed as allowing either party to disclose confidential or proprietary information relating to Licensed Patents, except as specifically permitted in this Agreement.

(2) is or becomes public or available to the general public otherwise than through any act or default of the party that has an obligation of confidentiality or non-use with respect to such information.

(3) is obtained or derived from a third party which, to the best knowledge of the party acquiring such information, is lawfully in possession of such information and does not hold such information subject to any confidentiality or non-use obligations; or

(4) is required to be disclosed by one of the parties pursuant to applicable law, or under a government or court order, relating, in whole or in part, to this Agreement, Licensed Patents or Licensed Products; provided, however, that (a) the obligations of confidentiality and non-use shall continue to the fullest extent not in conflict with such law or order, and (b) if and when a party is required to disclose such confidential or proprietary information pursuant to any such law or order, such party shall use its best effects to obtain a protective order or take such other actions as will prevent or limit, to the fullest extent possible, public access to, or disclosure of, such confidential or proprietary information.

c. Termination of Confidential Treatment. The obligations of confidentiality and non-use imposed under this section shall cease one to be effective one year following the termination of this Agreement.

14. Representations and Warrants.

a. Mutual Representations and Warranties. SolTec and Beacon each represents and warrants to the other side that:

(1) it is organized, validly existing and in good standing under the laws of the state in which it is incorporated;

(2) the execution and delivery of this Agreement by it, and the performance of its obligations under this Agreement, have been duly authorized by all necessary corporate action on its part, and it has full corporate power, right and authority to enter into this Agreement and to perform its obligations hereunder;

(3) neither the execution and delivery of this Agreement by it, nor the performance by it of any of its obligations under this Agreement, violates any applicable Federal, state or local law or regulation or its Articles or Certificate of Incorporation or Bylaws, or constitutes a violation of, or a breach or default under, any agreement or instrument or judgment or order of any court or governmental authority to which it is a party or to which it is subject or, in the case of Beacon, Licensed Patents are subject;

(4) this Agreement is a valid and binding obligation of it, enforceable against it in accordance with its terms, except as such enforceability may be limited by equitable principles or by bankruptcy or other laws affecting creditors rights generally;

(5) no consent, approval, order or authorization of any person, entity court or governmental authority is required on its part in connection with the execution and delivery of this Agreement; or the performance by it of its obligations hereunder.

b. Representations and Warranties of Beacon. Beacon represents and warrants to SolTec that:

(1) It is the owner of all right, title and interest in and to Licensed Patents, and has the full power and authority to grant the license granted herein;

(2) it has not entered into, and will not in the future enter into, any agreement granting rights to any third party with regard to Licensed Products in the Licensed Field;

(3) none of Licensed Patents is the subject of, or will be affected by any existing action, proceeding, claim, demand, order or judgement to which Beacon is a party or of which it is aware, Angelo Brothers, Inc., Phillips Lighting Company and Gerard Industries; and

(4) there are no patents in any foreign countries corresponding to Licensed Patents.

15. Consulting. Beacon agrees that it will supply information and know how to SolTec with respect to the Licensed Patents and Licensed Products, including but not limited to manufacturing processes and techniques, improvements, corrections, enhancements, modifications and changes. Such information may be considered to be consulting on Beacon's part. SolTec agrees to pay Beacon a fee of \$100 per hour for any such consulting. Further, Beacon agrees to inform SolTec, each time a request for information is received, whether or not the request for information is to be considered consulting under this paragraph. Beacon also agrees to establish an estimated time budget and estimated completion schedule for each request of information deemed to be consulting.

16. Right of First Refusal to Purchase Licensed Patents. Beacon hereby grants SolTec a right of first refusal to purchase the Licensed Patents in the event Beacon decides to sell or otherwise divest themselves of the ownership of the Licensed Patents. The purchase price will be determined at the time of such sale, but shall not exceed the highest bona fide offer from a third party. This paragraph shall not apply in the event the Licensed Patents are sold or otherwise transferred to a shareholder or creditor of Beacon, so long as that shareholder or creditor had an ownership or lien interest in Beacon at the time this Agreement was executed.

17. Termination.

a. Notice and Effectiveness. This Agreement shall be effective on the Effective Date and shall continue until the last to expire of Licensed Patents unless sooner terminated pursuant to the term of this section. Either party shall have the right to terminate this Agreement, in its entirety, in the event of a material breach by the other party of any of its obligations hereunder.

In the event a party does materially breach any of its obligations hereunder, the other party may effect such termination by giving such party written notice of its intent to terminate this Agreement, which notice shall specify, in reasonable detail, the nature of such breach. Such termination shall occur 180 days following the effectiveness of such notice, unless the breaching party cures such breach prior to the expiration of such 180-day period; provided, however, that if such breach is not curable, such termination shall occur upon the effectiveness of such notice.

b. Termination for Absence of Royalties. If SolTec fails to sell any Licensed Products within any 2-year period, Beacon shall have the right to terminate the license granted hereunder by giving SolTec written notice six -months prior to termination.

c. Sell Off. Upon termination of this Agreement pursuant to this section, SolTec shall have a period of 36 months from the effective date of such termination (the "Sell-Off Period") in which to sell its existing inventory of Licensed Products. SolTec shall be required to continue to pay royalties on sales or other dispositions of Licensed Products during the Sell-Off Period at the same rates and on the same terms as required under the Licenses. For purposes of this paragraph, "existing inventory" shall be deemed to include complete Licensed Products and Licensed Products which can be manufactured using any parts in SolTec's possession or control or which have been purchased pursuant to non-cancelable agreements.

18. License to Use Tooling.

a. Copper Bridge Tooling. Beacon hereby grants to SolTec a license to use certain tooling owned by Beacon for making copper and brass bridge components of Licensed Products. The tooling for the copper triac bridge is in the possession of S & W, located at 43 Evergreen Street, Bayonne, NJ; and the tooling for the brass cup and brass bridge are located at Kenmode Tool and Engineering, 820 Algonquin Rd. Algonquin, IL. Beacon shall instruct each company to deliver to SolTec, on its order, such copper and brass bridge components.

b. ASIC Tooling. Beacon grants to SolTec a license to use certain tooling owned by Beacon for making ASIC components of Licensed Products which tooling is in the possession of AMI Semiconductor, located in Pocatello, Idaho. Beacon shall instruct AMI Semiconductor to deliver to SolTec on its order such ASIC components when and if Beacon becomes bankrupt or is unable or unwilling to deliver ASIC components to SolTec.

19. Arbitration. The parties agree to resolve any claims or disputes arising from this Agreement through binding, third party arbitration under the rules or code of procedure set forth by the American Arbitration Association or the National Arbitration Forum, at the claimant's choice.

20. Miscellaneous.

a. SolTec Technology. Beacon shall not have any right by virtue of this Agreement to use SolTec technology or patent rights.

b. Manufacture of Licensed Products. SolTec shall have the right to determine who will make Licensed Products.

c. Setoff. SolTec and Beacon shall each have the right to setoff and deduct any amounts payable by it to the other party, either party pursuant to the terms of this Agreement or any other legally enforceable obligation, against and from any amounts owed to it by the other party pursuant to the terms of this Agreement.

d. Compliance with Applicable Law. SolTec and Beacon shall each comply with all applicable Federal, state and local laws and regulations relating to Licensed Patents and the manufacture and sale of Licensed Products. SolTec and Beacon shall each obtain and maintain in effect all licenses, permits and authorizations required for the performance of its obligations hereunder.

e. Relationship of Licensor and Licensee. Nothing in this Agreement shall create a joint venture, partnership or principal-agent relationship between SolTec and Beacon.

f. Notices. Whenever any matter herein provides for notice or other communication to be given to a party hereto, such notice shall be in writing and given at the address of such party set forth below, or such other address as such party shall provide, in writing, to the other party. All notices may be given by being personally delivered, placed in the United States mail, postage prepaid, certified or registered mail, or sent by overnight, prepaid air freight, addressed To the party to whom notice is to be given. Each such notice shall be deemed to be effective upon receipt, if personally delivered or sent by airfreight, or five business days after bring so mailed

If to SolTec:

SolTec
3921 Sunset Blvd.
St. Louis Park, MN 55416

If to Beacon:

Beacon Light Products, Inc.
723 West Taylor Avenue
Meridian, Idaho 83642
Attn., Ronald Porter

g. Successor and Assigns. This Agreement shall be binding upon, and inure to the benefit of the respective legal representatives, successors and permitted assigns of the parties, but nothing contained in this subsection shall be construed a consent to any assignment of this Agreement by either party except as otherwise provided herein.

h. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive, but shall, wherever possible, be cumulative with all other remedies at law or in equity.

i. Severability. Should any portion of provision of this Agreement be declared invalid or unenforceable in any jurisdiction, then such portion or provision shall be deemed severable from this Agreement as to such jurisdiction (but, to the extent permitted by law, not elsewhere) and shall not affect the remainder hereof.

j. Wavier. No wavier of any obligation of either party hereto under this Agreement shall be effective unless in a writing, specifying such wavier, executed by the other party. A waiver by either party hereto of any of its rights or remedies under this Agreement on any occasion shall not be a bar to the exercise of the same right or remedy on any subsequent occasion or of any other right of remedy at any time.

k. Headings and Titles. The designation of a title, or a caption or a heading, for each section of this Agreement is for the purpose of convenience only and shall not be used to limit or construe the contents of this Agreement.

l. Presumptions. Because both parties hereto have participated in drafting this Agreement, there shall be no presumption against any party on the ground that such party was responsible for preparing this Agreement or any part hereof.

m. Amendment or Modification. This Agreement may be amended, altered, or modified only by a writing, specifying such amendment, alteration or modification, executed by both parties.

n. Authorship. No interpretation of any section of this Agreement will be affected by the party who authored same.

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

p. Entire Agreement. This Agreement constitutes the entire agreement between the parties regarding the subject matter hereof, and supersedes all prior or contemporaneous negotiations, understandings or agreements of the parties, whether written or oral, with respect to the subject matter.

BEACON LIGHT PRODUCTS, INC.

By: Ronald Porter

Ronald Porter, President

Date: May 2, 2002

SPEED OF LIGHT TECHNOLOGY LLC

By: David Dombush

David Dombush, President

Date: 02 MAY 02