

PATENT ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	MERGER
EFFECTIVE DATE:	04/29/2003

CONVEYING PARTY DATA

Name	Execution Date
Interphotonic, Inc.	09/30/2003

RECEIVING PARTY DATA

Name:	Interphotonic, Inc.
Street Address:	8070 La Jolla Shores Drive 509
City:	La Jolla
State/Country:	CALIFORNIA
Postal Code:	92037

PROPERTY NUMBERS Total: 2

Property Type	Number
Patent Number:	5581763
Patent Number:	5630057

CORRESPONDENCE DATA

Fax Number: (619)230-1194
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NAME OF SUBMITTER:	Wolfgang Grabher
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Total Attachments: 44
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ASSET PURCHASE, ASSUMPTION OF SPECIFIC LIABILITIES AND INDEMNIFICATION AGREEMENT

THIS ASSET PURCHASE, ASSUMPTION OF SPECIFIC LIABILITIES AND INDEMNIFICATION AGREEMENT (this "**Agreement**") is made and entered into as of February 20, 2003, by and between ALL OPTICAL NETWORKS, INC., a Delaware corporation ("**Seller**"), and INTER PHOTONIC, INC., a Delaware corporation ("**Buyer**").

RECITALS

A. Seller was engaged at its San Diego, California facility in the business of designing, developing and manufacturing optical networking equipment used in communications applications, including certain optical multiplexing devices and related technology.

B. The parties hereto desire that Seller sell, transfer, assign and convey to Buyer certain assets, properties and rights of Seller, and that Buyer purchase, acquire and accept the same, subject to the assumption by Buyer of certain liabilities described herein, upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I. DEFINITIONS

1.1 **Certain Definitions.** All accounting terms used in this Agreement shall have the meaning specified by GAAP unless otherwise specified. All references in this Agreement to "**Dollars**" or "**\$**" shall mean U.S. Dollars unless otherwise specified. As used in this Agreement, the following terms have the following meanings unless the context otherwise requires (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"**Action or Proceeding**" means any action, suit, proceeding or arbitration by any Person, or any investigation or audit by any Governmental or Regulatory Body.

"**Affiliate**" means with respect to any Person, any other Person controlling, controlled by or under common control with such first Person. The term "**control**" (including, with correlative meaning, the terms "**controlled by**" and "**under common control with**"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"**Agreement**" has the meaning set forth in the preamble.

"**Ancillary Agreements**" means the Bill of Sale, the Assignment of Patents, the Assignment of Copyrights, and Assignment of Trademarks.

"**Assets**" means, and is limited to, the patents and patent filings specifically described in Schedule 1 hereto, the trademarks and trademark filings specifically described in Schedule 2 hereto, the tangible personal property specifically described in Schedule 3 hereto, all of Seller's rights to receive Royalty Payments accruing after the Closing Date pursuant to Section 3 of the License Agreement, and all of Seller's duties obligations, promises, covenants, rights, causes of action,

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choses in action, rights of recovery, rights of set-off and rights of recoupment relating to the Design Services Agreement and the Master Business Agreement, as defined in "**Assumed Liabilities**," respectively; provided, however, that Buyer's rights with respect to the Assets shall not allow Buyer to prohibit or in any way limit Seller's performance of, or otherwise diminish Seller's ability to perform, Seller's duties, obligations, promises and covenants arising out of the License Agreement.

"**Assumed Liabilities**" means, and is limited to, all claims, rights, Liens and encumbrances, Losses and/or Liabilities specifically assumed by Buyer pursuant to the Transaction Documents or arising out of or relating to (i) that certain Design Services Agreement dated June 12, 2002, and any other agreement or purchase order, by and between Seller and FLEXTRONICS DESIGN S.D., INC., a California corporation (the "Design Services Agreement"); and (ii) that certain Master Business Agreement dated May 29, 2002, and any other agreement or purchase order, by and between Seller and WIPRO LIMITED, a public limited company existing under the Indian Companies Act, 1956 (the "Master Business Agreement").

"**Business Day**" means a day other than a Saturday or a Sunday or other day on which commercial banks in California are authorized or required by law to close.

"**Closing**" shall have the meaning set forth in Section 2.6.

"**Closing Date**" has the meaning set forth in Section 2.6.

"**Contract(s)**" means all executory contracts, agreements, subcontracts, indentures, notes, bonds, loans, instruments, leases, mortgages, franchises, licenses, purchase orders, sale orders, proposals, bids, understandings or commitments, whether written or oral, which are legally binding, including all amendments, modifications or restatements thereof.

"**Environmental Law**" means collectively the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("**CERCLA**"), the Resource Conservation and Recovery Act of 1976, as amended, and any other applicable Laws which relate to protection of the environment, human health or safety or to Releases or threatened Releases of Hazardous Materials in the environment, or otherwise relating to the treatment, storage, disposal, transport or handling of any Hazardous Material.

"**Excluded Assets**" has the meaning set forth in Section 2.2.

"**Excluded Liabilities**" has the meaning set forth in Section 2.3.

"**Government Contract**" means any Contract entered into between Seller and (i) the United States government; (ii) any prime contractor to the United States government (in its capacity as such); or (iii) any subcontractor with respect to any contract described in clauses (i) or (ii).

"**Governmental Authorization**" means any consent, license, registration, authorization or permit issued, granted, given or otherwise made available by or under the authority of any Governmental or Regulatory Body or pursuant to any Law.

"**Governmental or Regulatory Body**" means any court, tribunal, arbitrator or any government or political subdivision thereof, whether federal, state, county, local or foreign, or any agency, authority, official or instrumentality of any such government or political subdivision.

"**Hazardous Material**" means (i) any petroleum, crude oil, natural gas, or any fraction, product or derivative thereof, radioactive materials, asbestos in any form that is or could become friable; (ii) any chemicals, materials, substances or wastes which are regulated as, defined as or

included in the definition of hazardous substances, hazardous wastes, hazardous materials, extremely hazardous substances, toxic substances, pollutants, contaminant or words of similar import under any Environmental Law; and (iii) any other chemical, material, substance or waste, exposure to which, or the management or use of which, is limited or regulated by any Governmental or Regulatory Body.

"Knowledge of Buyer" means and shall be limited to the knowledge, after due inquiry, of Mr. Edward Sullivan.

"Knowledge of Seller" means and shall be limited to the knowledge, after due inquiry, of Mr. Christopher J. Witt and Mr. Ralph Bennett.

"Law" means any law, statute, rule, regulation, ordinance and other pronouncement having the effect of law of the United States of America, any foreign country or any domestic or foreign state, county, city or other political subdivision or of any Governmental or Regulatory Body.

"Liabilities" means any direct or indirect liability, indebtedness, claim, loss, damage, deficiency, obligation or responsibility, fixed or unfixed, choate or inchoate, liquidated or unliquidated, secured or unsecured, accrued, absolute, known or unknown, contingent or otherwise.

"License Agreement" refers to that certain License Agreement identified and described in Section 4.4.

"Lien" means any mortgage, lien, pledge, charge, security interest, claim, contractual restriction, license rights or restrictions, option, conditional sale or installment contract or encumbrance of any kind.

"Loss" or **"Losses"** means any direct or indirect liability, indebtedness, claim, loss, damage, Lien, deficiency, obligation, judgment, penalty, responsibility, costs or expenses (including reasonable attorneys' fees and disbursements and the costs of litigation) of any nature.

"Marks" means trade names, fictional business names, trade dress rights, registered and unregistered trademarks and service marks and logos, including any internet domain names and applications therefor, together with all translations, adaptations, derivations and combinations and like intellectual property rights.

"Material Adverse Effect" means any circumstance, change or effect that, either individually or in the aggregate with all other circumstances, changes or effects, (a) has a material adverse effect on the business, assets, financial condition or results of operations of the Assets taken as a whole, but excluding (i) effects or changes that are generally applicable to the industries and markets in which the Seller operated; (ii) changes in the United States or world financial markets or general economic conditions, or (iii) effects directly or primarily arising out of the execution or delivery of this Agreement or the transactions contemplated hereby or the public announcement thereof, or (b) would have a material adverse effect on the ability of Seller to perform its obligations under this Agreement and the Ancillary Agreements or on the ability of Seller to consummate the Transactions.

"Order" means any writ, judgment, decree, injunction or similar order of any Governmental or Regulatory Body, in each case whether preliminary or final.

"Person" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental or Regulatory Body or other entity.

"Purchase Price" has the meaning set forth in Section 3.1.

"Release" means any release, spill, emission, leaking, pumping, injection, deposit, disposal, dumping, discharge, dispersal, leaching, escaping, emanation or migration of any Hazardous Material in, into or onto the environment.

"Tangible Personal Property" has the meaning set forth in Section 4.5.

"Tax" or "Taxes" (and, with correlative meanings "Taxable" or "Taxing") means, with respect to any Person, all U.S. federal, state, local, provincial, foreign or other taxes, customs, tariffs, imposts, levies, duties, government fees or other like assessments or charges of any kind, including all income, franchise, sales, use, ad valorem, transfer, license, recording, employment (including federal and state income tax withholding, backup withholding, FICA, FUTA or other payroll taxes), environmental, excise, severance, stamp, occupation, premium, prohibited transaction, property, value-added, net worth, or any other taxes and any interest, penalties and additions imposed with respect to such amounts.

"Tax Return" means all U.S. federal, state, local, provincial and foreign returns, declarations, claims for refunds, forms, statements, reports, schedules, information returns or similar statements or documents, and any amendments thereof (including, without limitation, any related or supporting information or schedule attached thereto) required to be filed with any Taxing Authority in connection with the determination, assessment or collection of any Tax or Taxes.

"Taxing Authority" means any government or subdivision, agency, commission or authority thereof, or any quasi-governmental or private body having jurisdiction over the assessment, determination, collection or other imposition of Taxes.

"Transaction Documents" means (i) this Agreement; (ii) the Ancillary Agreements; and (iii) all other agreements and instruments to be executed by Buyer and/or Seller at or prior to the Closing pursuant to this Agreement or any of the Ancillary Agreements.

"Transactions" means the transactions contemplated by the Transaction Documents.

ARTICLE II. PURCHASE OF ASSETS; ASSUMPTION OF LIABILITIES; INDEMNIFICATION

2.1 Sale and Transfer of Assets. Upon the terms and subject to the conditions set forth in this Agreement, upon execution of this Agreement Seller shall sell, transfer, assign and convey to Buyer, and Buyer shall purchase, acquire and accept from Seller, all of Seller's right, title and interest in and to the Assets, as and to the extent existing on the Closing Date, free and clear of all licenses, claims, Liens and encumbrances other than (i) the Assumed Liabilities; and (ii) Seller's duties, obligations, promises and covenants arising out of the License Agreement as set forth in this Agreement. Upon the terms and subject to the conditions set forth in this Agreement, upon execution of this Agreement Seller shall automatically transfer, assign and convey to Buyer, and Buyer shall automatically assume, acquire and accept from Seller, all of the Assumed Liabilities and all of Seller's obligations, duties and Liabilities with respect to the Assumed Liabilities.

2.2 Excluded Assets. Except as otherwise provided in the Transaction Documents, all assets of Seller other than the Assets shall remain the property of Seller after the Closing (collectively, the "Excluded Assets"). The Excluded Assets specifically include, but are not limited to (i) cash, cash equivalents, bank accounts, accounts receivable, security deposits, contracts to which Seller is a party; (ii) all assets acquired by COMP-OPTICS, LLC pursuant to that certain Asset Purchase

ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF SELLER

The representations and warranties of Seller contained in this Article IV shall be deemed true, correct and complete, and are the only representations and warranties made by Seller, as of the Closing Date. Except as set forth on the Schedules (it being understood that an item included on a Schedule referenced in any Section or subsection of this Article IV shall be deemed to relate to each other Section or subsection of this Article IV to the extent such relationship is reasonably apparent), Seller represents and warrants to Buyer that:

4.1 **Organization, Power, Standing.** Seller is a corporation duly incorporated, in good standing and has legal corporate existence under the laws of the State of Delaware. Seller has all requisite corporate power and authority to own the Assets and to enter into the Transaction Documents and to consummate the Transactions. Seller is duly authorized to conduct business and is in good standing in each jurisdiction where such authorization is required.

4.2 **Due Authorization.** Seller has full power and authority to execute this Agreement and the Ancillary Agreements to which it is, or is specified to be, a party. The execution and delivery by Seller of the Transaction Documents, the performance by it of its obligations thereunder, and the Transactions have been duly and validly authorized by all necessary corporate action on the part of Seller. This Agreement has been, and each of the other Transaction Documents, when executed, will be, duly executed and delivered by Seller and constitute legal, valid and binding obligations of Seller enforceable in accordance with their respective terms, except as such enforcement may be limited by (i) bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting the rights and remedies of creditors; and (ii) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

4.3 **No Conflict; Third Party Consents.** The execution and delivery of this Agreement does not, and each of the other Transaction Documents will not, and the consummation of the Transactions will not (with or without notice or lapse of time or both) (i) violate or conflict with the provisions of the Certificate of Incorporation or Bylaws of Seller; (ii) result in the imposition of any Lien upon any of the Assets, cause the acceleration or material modification of any obligation under, create in any party the right to terminate, constitute a default or breach of, or violate or conflict with the terms, conditions or provisions of, any Contract to which Seller is a party or by which it or the Assets are bound other than the Design Services Agreement or the Master Business Agreement; (iii) result in a breach or violation by Seller of any of the terms, conditions or provisions of any Law or Order; or (iv) except for the United States Patent and Trademark Office ("USPTO") filing requirements related to the Assets, require on the part of Seller any Governmental Authorization or any filing with or notice to any Governmental or Regulatory Body. Except as otherwise provided in the Transaction Documents, Design Services Agreement, Master Business Agreement or License Agreement, no consent, approval or authorization of, or registration or filing with, any Person is required in connection with the execution or delivery by Seller of this Agreement or any of the other Transaction Documents to which Seller is or is to become party or the consummation of the Transactions.

4.4 **License Agreement.** Exhibit C sets forth a true, correct and complete copy of that certain License Agreement dated October 18, 2002 by and between Seller and COMP-OPTICS, LLC, a Delaware limited liability company (the "License Agreement"). As of the date of this Agreement,

to the Knowledge of Seller, (a) such License Agreement is legal, valid, binding, enforceable, and in full force and effect; (b) Seller is not in breach or default under the License Agreement; and (c) no other party to the License Agreement is in breach or default thereof.

4.5 **Tangible Personal Property.** Schedule 3 sets forth a true, correct and complete list, as of the date of this Agreement, of each item of tangible personal property included in the Assets (the "Tangible Personal Property"). Seller has good and marketable title to all of the Assets, free and clear of any Liens or encumbrances other than the Assumed Liabilities.

4.6 **Patents and Trademarks.**

(a) Schedule 1 and Schedule 2 identify all patents or patent applications and trademarks or trademark applications included in the Assets. Seller provided Buyer with access to true, correct and complete copies of all such patents and patent applications and trademarks or trademark applications.

(b) To the Knowledge of Seller, none of the Assets described in Schedule 1 or Schedule 2 infringes upon the rights of any other Person other than rights arising under the Assumed Liabilities. Within the last three (3) years of the date of this Agreement, Seller has not received written notice that any Person, other than Seller, claims any ownership interest in any of the Assets described in Schedule 1 or Schedule 2 other than rights arising under the Assumed Liabilities.

4.7 **Tax Matters.** There are no Liens with respect to any Taxes upon any of the Assets, other than Taxes the payment of which is not yet due.

4.8 **Litigation.** As of the Closing, except for any action or proceedings related to the Assumed Liabilities, there is no Action or Proceeding pending or, to the Knowledge of Seller, threatened during the last twelve (12) months which relates to the License Agreement or Assets.

4.9 **Environmental Matters.** As relating to the Assets, Seller has complied and is in compliance in all material respects with all applicable Environmental Laws.

4.10 **Compliance with Law.** Seller is in compliance in all material respects with all applicable Laws and Orders to which the Assets or License Agreement are subject.

4.11 **No Brokers.** All negotiations relative to the Transaction Documents and the Transactions have been carried out by Seller directly with Buyer without the intervention of any Person on behalf of Seller in such manner as to give rise to any valid claim by any Person against Buyer for a finder's fee, brokerage commission or similar payment.

4.12 **Governmental Contracts.** Seller has no Government Contracts, nor has Seller been party to a Government Contract at any time in the past which relates to the Assets.

4.13 **Disclaimer of Seller.** Except as otherwise specifically provided in this Article IV, the Assets sold hereunder to Buyer are being sold "AS-IS" AND "WHERE-IS" WITHOUT ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR INTENDED USE OR OTHER EXPRESSED OR IMPLIED WARRANTY.

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ARTICLE V. REPRESENTATIONS AND WARRANTIES OF BUYER

The representations and warranties of Buyer contained in this Article V shall be deemed true, correct and complete as of the Closing Date.

5.1 **Organization, Power, Standing, Solvency.** Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Buyer has all requisite corporate power and authority to conduct its business as it has been and is currently being conducted and to enter into the Transaction Documents and to consummate the Transactions. Buyer is duly authorized to conduct business and is in good standing in each jurisdiction where such authorization is required to conduct its business as currently conducted by it. As of the Closing, Buyer is financially solvent. Neither the execution of this Agreement nor the effectuation of the Transactions contemplated by the Transaction Documents will cause Buyer to become, or to become further, financially insolvent.

5.2 **Due Authorization.** Buyer has full power and authority to execute this Agreement and the Transaction Documents to which it is, or is specified to be, a party. The execution and delivery by Buyer of each of the Transaction Documents, the performance by it of its obligations thereunder, and the Transactions have been duly and validly authorized by all necessary corporate action on the part of Buyer. This Agreement has been, and each of the other Transaction Documents, when executed, will be, duly executed and delivered by Buyer and constitute valid and binding obligations of Buyer enforceable in accordance with their respective terms, except as such enforcement may be limited by (i) bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting the rights and remedies of creditors; and (ii) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

5.3 **No Conflict; Third Party Consents.** The execution and delivery of this Agreement does not, and each of the other Transaction Documents will not, and the consummation of the Transactions will not, with or without notice or lapse of time or both violate or conflict with the provisions of the Certificate of Incorporation or Bylaws of Buyer.

5.4 **Buyer's Due Diligence.** Buyer acknowledges that, except for the matters that are expressly covered by the provisions of this Agreement, Buyer is relying solely on its own investigation and analysis in entering into the Transaction Documents and the Transactions. Buyer is an informed and sophisticated participant in the Transactions and has undertaken such investigation, and has been provided with and has evaluated such documents and information, as it has deemed necessary in connection with the execution, delivery and performance of this Agreement.

Buyer's Acknowledgements. Buyer expressly acknowledges that the Assets sold hereunder to Buyer are being sold, and the Assumed Liabilities are being assumed, by Buyer "AS-IS" AND "WHERE-IS" WITHOUT ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR INTENDED USE OR OTHER EXPRESSED OR IMPLIED WARRANTY. Buyer acknowledges that there may be disruption to the patent applications submitted and/or and pending with the United States Patent and Trademark Office ("USPTO") relating to the Assets as a result of the cessation of normal business operation of Seller on or before October 4, 2002, and Buyer acknowledges and agrees that such disruptions do not and shall not constitute a breach of this Agreement. Buyer acknowledges that Seller has informed Buyer that Seller intends to liquidate and dissolve at some time after thirty (30) days following the Closing Date, and Buyer acknowledges and

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agrees that, notwithstanding any other provision of this Agreement, such liquidation and dissolution shall not constitute a breach of this Agreement. Buyer has examined the Design Services Agreement and the Master Business Agreement, and relevant and sufficient information related to both such agreements, and has made sufficient inquiries to make an informed and sophisticated decision regarding its assumption of the Assumed Liabilities and its indemnification under Section 2.5.

ARTICLE VI. COVENANTS

6.1 Reasonable Best Efforts. Subject to the terms and conditions herein provided, Seller and Buyer agree to use their respective reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations, to consummate and make effective the Transactions as promptly as practicable. If, at any time after the Closing Date, any further action is necessary or desirable to carry out the purposes of this Agreement, the parties hereto or their officers, directors or representatives shall take all such necessary or desirable action.

6.2 Regulatory and Other Approvals; Consents. For thirty (30) days following the Closing Date, Seller and Buyer will (x) use their respective reasonable best efforts as promptly as practicable to obtain all legally required Governmental Authorizations, to make all legally required filings with and to give all legally required notices to Governmental or Regulatory Bodies and to obtain all consents from third parties legally required to consummate the Transactions; (y) provide such other information and communications to such Governmental or Regulatory Bodies as such parties or such Governmental or Regulatory Bodies may reasonably request in connection therewith; and (z) cooperate with each other as promptly as practicable in connection with the foregoing. Each party hereto will provide prompt notification to the other party hereto or its Affiliates when any such consent, approval, action, filing or notice referred to in clause (x) above is obtained, taken, made or given, as applicable, and will advise each other party hereto of any communications and, unless precluded by Law, provide copies to each other party hereto of any such communications that are in writing with any Governmental or Regulatory Body regarding any of the Transactions.

6.3 Other Authorizations and Consents. For thirty (30) days following the Closing Date, (a) as promptly as practicable after the date hereof Buyer and Seller shall make all other legally required filings with Governmental or Regulatory Bodies, and use reasonable best efforts to obtain all permits, approvals and authorizations of all third parties legally required to consummate the Transactions, and (b) Buyer and Seller shall furnish promptly to each other all information that is not otherwise available to the other party and that such party may reasonably request in connection with any such filing.

6.4 Record Retention. Each party agrees that for a period of not less than thirty (30) days following the Closing Date, it shall not destroy or otherwise dispose of any of the books and records relating to the Assets or the License Agreement in its possession with respect to periods prior to the Closing Date. Each party shall have the right to destroy all or part of such books and records beginning thirty (30) days after the Closing Date, by giving each other party hereto twenty (20) Business Days' prior written notice of such intended disposition and by offering to deliver to the other party, at the other party's expense, custody of such books and records as such first party may intend to destroy.

6.5 Confidentiality. The parties acknowledge that the information being provided to one another in connection with the Transactions is subject to the terms of a confidentiality agreement.

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contained in paragraph (b) of that certain Letter of Intent dated December 18, 2002, the terms of which confidentiality agreement are incorporated herein by reference.

6.6 Nondisclosure of Proprietary Data. Seller shall keep confidential, and make reasonable efforts to cause its Affiliates and its and their officers, directors, employees and advisors to keep confidential, all material information relating to the Assets, except as required by Law or administrative process or in connection with any Action or Proceeding to which Seller or any of its Affiliates is a party, and except for information that is available to the public other than as a result of a breach of this Section 6.6.

ARTICLE VII. MISCELLANEOUS

7.1 Survival of Representations and Warranties. All representations, warranties and covenants contained in this Agreement and the Ancillary Agreements shall survive any investigation made by any party hereto and the Closing of the transactions contemplated hereby until the second anniversary of the Closing Date, except those representations and warranties contained in Section 2.5 (Indemnification) which shall remain in full force and effect forever.

7.2 Expenses. Whether or not the transactions contemplated hereby are consummated, and except as otherwise provided in this Agreement, each party to this Agreement will bear its respective fees, costs and expenses incurred in connection with the preparation, negotiation, execution and performance of this Agreement or the transactions contemplated hereby. Each of Buyer and Seller agree to indemnify and save the other harmless from any claim or demand for commissions or other compensation by any broker, finder, financial consultant or similar agent employed by the other party.

7.3 Governing Law. This Agreement will be governed by and construed in accordance with the internal laws of the State of California applicable to agreements made and to be performed entirely within such State, without regard to the conflicts of law principles that would require the application of any other law.

7.4 Jurisdiction; Service of Process. Any action or proceeding arising out of or relating to this Agreement or any transaction contemplated hereby may be brought in the courts of the State of California, County of San Diego, or, if it has or can acquire jurisdiction, in the United States District Court for the Southern District of California, and each of the parties irrevocably submits to the exclusive jurisdiction of each such court in any such action or proceeding, waives any objection it may now or hereafter have to venue or to convenience of forum, agrees that all claims in respect of the action or proceeding shall be heard and determined only in any such court and agrees not to bring any action or proceeding arising out of or relating to this Agreement or any transaction contemplated hereby in any other court. The parties agree that either or both of them may file a copy of this paragraph with any court as written evidence of the knowing, voluntary and bargained agreement between the parties irrevocably to waive any objections to venue or to convenience of forum. Process in any action or proceeding referred to in the first sentence of this Section may be served on any party anywhere in the world.

7.5 Waiver of Jury Trial. THE PARTIES HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COPY OF

THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY AND THAT ANY ACTION OR PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

7.6 **Attorneys' Fees.** If any action, suit, arbitration or other proceeding for the enforcement of this Agreement is brought with respect to or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions hereof, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and other costs incurred in that proceeding, in addition to any other relief to which it may be entitled.

7.7 **Waiver; Remedies Cumulative.** The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither any failure nor any delay by any party in exercising any right, power or privilege under this Agreement or any of the other Transaction Documents will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement or any of the other Transaction Documents can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of that party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or any of the other Transaction Documents.

7.8 **Notices.** All notices or other communications required or permitted to be given hereunder shall be in writing and shall be deemed given to a party when (a) delivered by hand or by a nationally recognized overnight courier service (costs prepaid), (b) sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment, or (c) received or rejected by the addressee, if sent by certified mail, postage prepaid and return receipt requested, in each case to the following:

if to Buyer, to:

INTER PHOTONIC, INC.
7910 Ivanhoe Ave. #508
La Jolla, California 92037
Attention: Edward Sullivan -- President
Tel: (619) 425-6450
Fax: (619) 425-6450
E-mail: captisull@aol.com

with copies to:

WEINTRAUB DILLON PC
12520 High Bluff Drive, Suite 260
San Diego, California 92130

Attention: Richard A. Weintraub, Esq.
Tel: (858) 259-2529
Fax: (858) 259-2868
E-mail: rick@weintraub-dillon.com

and, if to Seller, to:

ALL OPTICAL NETWORKS, INC.
9440 Carroll Park Drive
San Diego, CA 92121
Attention: Authorized Agent
Tel: (858) 623-5400
Fax: (858) 824-1155

Either party hereto may change its contact information for notices and other communications hereunder by notice to the other party hereto.

7.9 Assignment. This Agreement and the rights and obligations hereunder shall not be assignable or transferable by Buyer (including, by operation of law or in connection with a merger or sale of substantially all the assets, stock or membership interests of such party) without the prior written consent of Seller (which shall not be unreasonably withheld); provided, however, that Buyer may assign this Agreement and any and all rights hereunder to (a) any Affiliate of Buyer; or (b) to any financing source; except that no assignment permitted under clause (a) or (b) in this proviso shall (i) interfere with the obtaining of any regulatory approvals; or (ii) relieve Buyer or the assignee of any obligations under this Agreement or the Ancillary Agreements. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon and inure to the benefit of the permitted assigns of the parties.

7.10 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein expressed or implied shall give or be construed to give to any Person, other than the parties hereto and such assigns, any legal or equitable rights, remedy or claim hereunder.

7.11 Amendments. No amendment to this Agreement shall be effective unless it shall be in writing and signed by the parties hereto.

7.12 Interpretation; Exhibits and Schedules. The headings contained in this Agreement, in any Exhibit or Schedule hereto and in the table of contents to this Agreement, are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Except when the context otherwise requires, references to Sections, Articles, Exhibits or Schedules contained herein refer to Sections, Articles, Exhibits or Schedules of this Agreement. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Schedule or Exhibit, but not otherwise defined therein, shall have the meaning as defined in this Agreement.

7.13 Entire Agreement. This Agreement and the Transaction Documents contain the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior oral and written agreements and understandings relating to such subject matter.

7.14 Severability. If any provision of this Agreement or the application of any such provision to any Person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court

of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

7.15 **Mutual Drafting.** The parties hereto are sophisticated and have been represented by lawyers who have carefully negotiated the provisions hereof. As a consequence, the parties do not intend that the presumptions of any laws or rules relating to the interpretation of contracts against the drafter of any particular clause should be applied to this Agreement and therefore waive their effects.

7.16 **Counterparts.** This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement. Facsimile transmission of any signed original document and/or retransmission of any signed facsimile transmission will be deemed the same as delivery of an original. Provided, however, that the parties will confirm facsimile transmission by signing a duplicate original document and delivering the same to the other party within five (5) Business Days of such facsimile transmission.

BUYER:

SELLER:

INTER PHOTONIC, INC.
a Delaware corporation

ALL OPTICAL NETWORKS, INC.
a Delaware corporation

By: Edward Sullivan
Edward Sullivan
Its: President

By: Christopher J. Witt
Christopher J. Witt
Its: Vice President, Finance

By: _____
Ralph Bennett
Its: President & CEO

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Witt

7.15 **Mutual Drafting.** The parties hereto are sophisticated and have been represented by lawyers who have carefully negotiated the provisions hereof. As a consequence, the parties do not intend that the presumptions of any laws or rules relating to the interpretation of contracts against the drafter of any particular clause should be applied to this Agreement and therefore waive their effects.

7.16 **Counterparts.** This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement. Facsimile transmission of any signed original document and/or retransmission of any signed facsimile transmission will be deemed the same as delivery of an original. Provided, however, that the parties will confirm facsimile transmission by signing a duplicate original document and delivering the same to the other party within five (5) Business Days of such facsimile transmission.

BUYER:

INTER PHOTONIC, INC.
a Delaware corporation

By: Edward Sullivan
Its: President

SELLER:

ALL OPTICAL NETWORKS, INC.
a Delaware corporation

By: Christopher J. Witt
Its: Vice President, Finance

By: 
Its: President & CEO

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LIST OF EXHIBITS

<u>Exhibit A</u>	Bill of Sale
<u>Exhibit B-1</u>	Assignment of Patents
<u>Exhibit B-2</u>	Assignment of Trademarks
<u>Exhibit B-3</u>	Assignment of Copyrights
<u>Exhibit C</u>	License Agreement

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EXHIBIT A

BILL OF SALE

ALL OPTICAL NETWORKS, INC., a Delaware corporation ("Grantor"), for good and valuable consideration to Grantor in hand paid by INTER PHOTONIC, INC., a Delaware corporation ("Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby sell and deliver to Grantee all of Grantor's right, title and interest, if any, in and to the personal property, intangible property, patent, copyrights, trademarks as more specifically described in Schedule 1, Schedule 2 and Schedule 3, attached hereto and incorporated herein by this reference; provided, however, that Grantee's rights with respect to the assets sold and delivered hereunder shall not allow Grantee to prohibit or in any way limit Grantor's performance of, or otherwise diminish Grantor's ability to perform, Grantor's duties, obligations, promises and covenants arising out of the license agreement (the "**License Agreement**") dated October 18, 2002, by and between Grantor and COMP-OPTICS, LLC, a Delaware limited liability company (collectively, the "**Assets**").

The Assets are in used condition. Grantor makes no representations, express or implied, as to the condition or state of repair of the Assets, including warranties of fitness or merchantability, it being expressly understood that the Assets are being sold to Grantee in its present "AS IS, WHERE IS" condition and with all faults. By acceptance of delivery of the Assets, Grantee affirms that it has not relied on Grantor's skill or judgment to select or furnish said Assets for any particular purpose, and that Grantor makes no warranty that said Assets are fit for any particular purpose and that there are no representations or warranties, express, implied, or statutory, that extend beyond the description of said Assets set forth above. Grantor represents and warrants that Grantor has good and marketable title to the Assets hereby conveyed, and all such property is, on the date hereof, free and clear of restrictions on or conditions to transfer or assignment, mortgages, liens, pledges, charges, encumbrances, equities and claims, except (i) Grantor's duties, obligations, promises and covenants arising out of the License Agreement, and (ii) claims, rights, liens and encumbrances, losses and liabilities specifically assumed by Grantee or arising out of or relating to (a) that certain Design Services Agreement dated June 12, 2002, and any other agreement or purchase order, by and between Grantor and FLEXTRONICS DESIGN S.D., INC., a California corporation, and (b) that certain Master Business Agreement dated May 29, 2002, and any other agreement or purchase order, by and between Grantor and WIPRO LIMITED, a public limited company existing under the Indian Companies Act, 1956.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, Grantor has executed this Bill of Sale as of the 20th day of February, 2003.

ALL OPTICAL NETWORKS, INC.
a Delaware corporation .

By: Chitt
Christopher J. Witt
Its: Vice President, Finance

State of California)
)
County of San Diego)

On February 20, 2003, before me, Anna M. Goldby, Notary Public, personally appeared Christopher J. Witt personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Anna M. Goldby
Signature



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EXHIBIT B-1

ASSIGNMENT OF PATENTS

THIS ASSIGNMENT OF PATENTS (this "Assignment") is entered into in connection with and subject to that certain ASSET PURCHASE, ASSUMPTION OF SPECIFIC LIABILITIES AND INDEMNIFICATION AGREEMENT dated February 20, 2003 (the "Asset Purchase Agreement"), by and between ALL OPTICAL NETWORKS, INC., a Delaware corporation (hereinafter referred to as the "Assignor") and INTER PHOTONIC, INC., a Delaware corporation (hereinafter referred to as the "Assignee"), the terms of which are incorporated herein by this reference and shall control in the event of any inconsistency with the terms of this Assignment. Unless otherwise defined herein or the context otherwise requires, all capitalized terms shall have the meanings given them in the Asset Purchase Agreement.

FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, and subject to the foregoing, Assignor, having a place of business at 9440 Carroll Park Drive, San Diego, CA 92121, hereby sells, assigns, transfers and conveys unto the Assignee, Assignor's entire right, title and interest, for all countries, in and to certain inventions relating to the intellectual property, technology and know-how relating to the applications for Letters Patent of the United States and all Letters Patent of the United States as more specifically described in Schedule 1, attached hereto and incorporated herein by this reference, including and all divisions, renewals and continuations thereof, which may be granted, thereon, and all reissues and extensions thereof, and all applications for Letters Patent or other grants of protection of proprietary rights including, but not limited to, inventor's certificate, utility model, utility certificate, patent of importation, registration of patent and industrial design registration which may be filed, and which may be granted, upon said inventions in any countries or regions foreign to the United States, and all reissues, renewals and extensions thereof, and as described, and/or claimed in a provisional application for Letters Patent of the United States, bearing the title set forth above, having application numbers specifically described in Schedule 1, and in and to said applications, and all divisions, renewals and continuations thereof, and all Letters Patent of the United States which may be granted thereon, and all reissues and extensions thereof, and all applications for Letters Patents which may be filed, and all Letters Patent which may be granted, upon said inventions in any countries foreign to the United States, and all reissues, renewals and extensions thereof;

AND Assignor hereby authorizes and requests the Commissioner for Patents and Trademarks of the United States, and all officials of countries or regions foreign to the United States having authority so to do, to issue all such Letters Patent or other grants of protection upon said inventions to the Assignee;

AND Assignor hereby authorizes and requests the Commissioner of Patents of the United States, and all officials of countries foreign to the United States having authority to do so, to issue all Letters Patent upon said inventions to the Assignee;

AND Assignor authorizes and empowers said Assignee to invoke and claim, for any application for patent or form of protection for said inventions filed by it, the benefit of the right of priority provided by the International Convention for the Protection of Industrial Property, as

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amended, or by any convention which may hereforth be substituted for it, and to invoke and claim such right of priority without further written or oral authorization from Assignor;

AND Assignor hereby consents that a copy of this Assignment shall be deemed a full legal and formal equivalent of any assignment, consent to file or like documents which may be required in any country for any purpose and more particularly in proof of the right of the said Assignee to claim the aforesaid benefit of the right of priority provided by the International Convention for the Protection of Industrial Property, as amended, or by any convention which may hereforth be substituted for it;

AND, except for the Asset Purchase Agreement or any licenses, sublicenses, releases, cross-licenses, confidentiality agreements or other agreements previously disclosed to Assignee, Assignor hereby covenants that Assignor has not executed and will not execute any agreement in conflict herewith.

Signed at San Diego, California this 20th day of February, 2003.

ALL OPTICAL NETWORKS, INC.
a Delaware corporation

By: *Critt*
Christopher J. Witt
Its: Vice President, Finance

State of California)
County of San Diego)

On February 20, 2003, before me, Anna M. Goldby, Notary Public, personally appeared Christopher J. Witt, personally known to me or proved to be on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Anna M. Goldby
Signature



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EXHIBIT B-2

ASSIGNMENT OF TRADEMARKS

THIS ASSIGNMENT OF TRADEMARKS (this "**Assignment**") is entered into in connection with and subject to that certain ASSET PURCHASE, ASSUMPTION OF SPECIFIC LIABILITIES AND INDEMNIFICATION AGREEMENT dated February 20, 2003 (the "**Asset Purchase Agreement**"), by and between ALL OPTICAL NETWORKS, INC., a Delaware corporation (hereinafter referred to as the "**Assignor**") and INTER PHOTONIC, INC., a Delaware corporation (hereinafter referred to as the "**Assignee**"), the terms of which are incorporated herein by this reference and shall control in the event of any inconsistency with the terms of this Assignment. Unless otherwise defined herein or the context otherwise requires, all capitalized terms shall have the meanings given them in the Asset Purchase Agreement.

WITNESSETH:

WHEREAS, ASSIGNOR desires to assign to Assignee all of Assignor's rights, title, and interest in the trademark applications and registrations for the marks identified more fully in the attached Schedule 2 (the "**Trademarks**"), including the business goodwill related therewith, subject to the terms and provisions of the Asset Purchase Agreement; and

WHEREAS, ASSIGNEE desires to acquire all of Assignor's rights, title, and interest in and to the Trademarks and all business goodwill related therewith, subject to the terms and conditions of the Asset Purchase Agreement;

NOW, THEREFORE, TO ALL WHOM IT MAY CONCERN:

FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, and subject to the foregoing, Assignor, having a place of business at 9440 Carroll Park Drive, San Diego, CA 92121, hereby sells, assigns, transfers and conveys unto the Assignee, Assignor's entire right, title and interest, for all countries, in and to the Trademarks, and the business goodwill associated therewith, including, without limitation, all renewals therefor, all proceeds therefor (including, but not limited to, all license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, and the goodwill of the business associated with and symbolized by the Trademarks.

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IN WITNESS WHEREOF, this Assignment of Trademarks has been duly executed at San Diego, California this 20th day of February, 2003.

ALL OPTICAL NETWORKS, INC.
a Delaware corporation

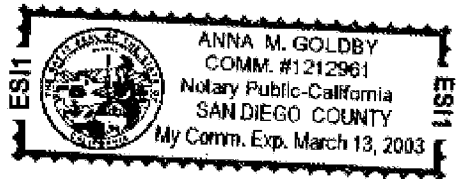
By: *Christ*
Christopher J. Witt
Its: Vice President, Finance

State of California)
)
County of San Diego)

On February 20, 2003, before me, Anna M. Goldby, Notary Public, personally appeared Christopher J. Witt, personally known to me or proved to be on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Anna M Goldby
Signature



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Christ

EXHIBIT B-3

ASSIGNMENT OF COPYRIGHTS

THIS ASSIGNMENT OF COPYRIGHTS (this "Assignment") is entered into in connection with and subject to that certain ASSET PURCHASE, ASSUMPTION OF SPECIFIC LIABILITIES AND INDEMNIFICATION AGREEMENT dated February 20, 2003 (the "Asset Purchase Agreement"), by and between ALL OPTICAL NETWORKS, INC., a Delaware corporation (hereinafter referred to as the "Assignor") and INTER PHOTONIC, INC., a Delaware corporation (hereinafter referred to as the "Assignee"), the terms of which are incorporated herein by this reference and shall control in the event of any inconsistency with the terms of this Assignment. Unless otherwise defined herein or the context otherwise requires, all capitalized terms shall have the meanings given them in the Asset Purchase Agreement.

WITNESSETH:

WHEREAS, ASSIGNOR desires to assign to Assignee all of Assignor's rights, title and interest in certain copyrights related to the Assets acquired pursuant to the Asset Purchase Agreement (the "Copyrights"), including the goodwill related therewith, subject to the terms and provisions of the Asset Purchase Agreement; and

WHEREAS, ASSIGNEE desires to acquire all of Assignor's rights, title, and interest in and to the Copyrights and all business goodwill related therewith, subject to the terms and provisions of the Asset Purchase Agreement;

NOW, THEREFORE, TO ALL WHOM IT MAY CONCERN:

FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, and subject to the foregoing, Assignor, having a place of business at 9440 Carroll Park Drive, San Diego, CA 92121, hereby sells, assigns, transfers and conveys unto the Assignee, Assignor's entire right, title and interest, for all countries, in and to the Copyrights, and the business goodwill associated therewith and symbolized by the Copyrights, as well as the right to sue for past, present and future infringements.

IN WITNESS WHEREOF, this Assignment of Copyrights has been duly executed at San Diego, California this 20th day of February, 2003.

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ALL OPTICAL NETWORKS, INC.
a Delaware corporation

By: *Chris J. Witt*
Christopher J. Witt
Its: Vice President, Finance

State of California)
)
County of San Diego)

On February 20, 2003, before me, Anna M. Goldby, Notary Public, personally appeared Christopher J. Witt, personally known to me or proved to be on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Anna M. Goldby
Signature



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Chris J. Witt

EXHIBIT C

License Agreement

[See Attached.]

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EXHIBIT B
LICENSE AGREEMENT

THIS LICENSE AGREEMENT ("Agreement") is made and entered into as of the 18th day of October, 2002, by and among ALL OPTICAL NETWORKS, INC, a Delaware corporation ("Licensor"), and COMP-OPTICS, a Delaware limited liability company ("Licensee").

Background

Licensee and Licensor are parties to that certain Asset Purchase Agreement, dated as of even date herewith ("Purchase Agreement"). In connection therewith, Licensor desires to License certain intellectual property as described herein and pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual promises, terms, and conditions set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. **License Grant.** Licensor hereby grants Licensee an irrevocable, perpetual, worldwide license to use Licensor's WSM and Metro Scout patents and related intellectual property (excluding any tradenames and trademarks), as now existing, including, without limitation, those set forth on Schedule 1 attached hereto (collectively, "Licensed Assets"), for the sole purpose of developing, marketing or selling the HPIC technology and similar or related products/systems. Licensor shall not license the Licensed Assets to any third party for the purpose of developing the HPIC technology and similar technology or products/systems. Licensor represents and warrants to Licensee that, to the best of its knowledge, the Licensed Assets do not infringe upon any patent or other proprietary right of any third party.

2. **Ownership.** Licensee acknowledges and agrees that ownership of the Licensed Assets and the goodwill relating thereto shall remain vested in Licensor and that use of the Licensed Assets shall not create in Licensee's favor any right, title, or interest in or to the Licensed Assets other than the license granted herein. The foregoing notwithstanding, Licensee shall own all developments, modifications or enhancements to the Licensed Assets created by Licensee (collectively, "Developments").

3. **Royalty Payment.** Purchaser shall pay Seller, on a quarterly basis and within thirty (30) days of the end of each calendar quarter a royalty payment ("Royalty Payment") equal to two percent (2%) of the "Net Sales" (as defined below) of the sale of any component or chip or other Development developed from or based on the HPIC Assets (as such term is defined in the Purchase Agreement). "Net Sales" means Licensee's gross invoice price for sales of any component or chip developed from the HPIC Assets reduced by the following: (i) cash, trade and/or quantity discounts; (ii) amounts repaid or credited by reason of rejection or return of a product; and (iii) freight, postage, taxes, duties, and other pass through items. All of the foregoing shall be as determined in accordance with generally accepted accounting principals consistently applied. Purchaser shall deliver to Seller, within thirty (30) days of the end of each calendar quarter, a report setting forth Net Sales and the calculation thereof for such calendar

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month ("Net Sales Report"). Seller shall have the right, at its expense, to audit the books and records of Purchaser relating to Net Sales and the calculation thereof.

4. **Confidentiality.** Licensee agrees that the Licensed Assets will be held in confidence and will not be divulged by Licensee to any person or entity except employees of Licensee for use in its business or third parties that have signed a binding non disclosure agreement in favor of Licensor and Licensee.

5. **Termination.** Either party may terminate this Agreement upon written notice to the other party if the other party breaches any term of this Agreement and such breach is not cured within thirty (30) days of written notice thereof. Sections 2, 4, 7 and 8 shall survive any termination of this Agreement.

6. **Assignment.** This Agreement and the rights and obligations hereunder may be assigned by either party upon written notice to the other party.

7. **Export Control.** The Licensed Assets provided under this Agreement are subject to U.S. export control laws, including the U.S. Export Administration Act and its associated regulations, and may be subject to export or import regulations in other countries. Licensee agrees to comply fully with all laws and regulations of the United States and other countries ("Export Laws") and shall assure that neither the Licensed Assets are: (i) exported, directly or indirectly, in violation of Export Laws, either to any countries that are subject to U.S. export restrictions or to any end user who has been prohibited from participating in the U.S. export transactions by any federal agency of the U.S. government; or (ii) intended to be used for any purpose prohibited by Export Laws, including, without limitation, nuclear, chemical, or biological weapons proliferation.

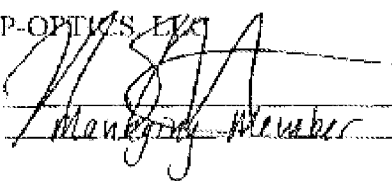
8. **Patent Prosecution.** Licensor is ceasing business operations and intends to sell the Licensed Assets to a third party ("Purchaser"). In the event that Licensor or Purchaser allow any patents pertaining to the Licensed Assets to go abandoned or lapse, Licensee shall have the right to take over, at its expense, the prosecution and/or maintenance of such patents.

9. **Incorporation by Reference.** Sections 8.1 through 8.6 of the Purchase Agreement are incorporated herein by this reference.

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

ALL OPTICAL NETWORKS, INC.

By: _____
Title: _____

COMP-OPTICS, INC.
By: 
Title: Maneging Member

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month ("Net Sales Report"). Seller shall have the right, at its expense, to audit the books and records of Purchaser relating to Net Sales and the calculation thereof.

4. **Confidentiality.** Licensee agrees that the Licensed Assets will be held in confidence and will not be divulged by Licensee to any person or entity except employees of Licensee for use in its business or third parties that have signed a binding non disclosure agreement in favor of Licensor and Licensee.

5. **Termination.** Either party may terminate this Agreement upon written notice to the other party if the other party breaches any term of this Agreement and such breach is not cured within thirty (30) days of written notice thereof. Sections 2, 4, 7 and 8 shall survive any termination of this Agreement.

6. **Assignment.** This Agreement and the rights and obligations hereunder may be assigned by either party upon written notice to the other party.

7. **Export Control.** The Licensed Assets provided under this Agreement are subject to U.S. export control laws, including the U.S. Export Administration Act and its associated regulations, and may be subject to export or import regulations in other countries. Licensee agrees to comply fully with all laws and regulations of the United States and other countries (" ") and shall assure that neither the Licensed Assets are: exported, directly or indirectly, in violation of Export Laws, either to any countries that are subject to U.S. export restrictions or to any end user who has been prohibited from participating in the U.S. export transactions by any federal agency of the U.S. government; or intended to be used for any purpose prohibited by Export Laws, including, without limitation, nuclear, chemical, or biological weapons proliferation.

8. **Patent Prosecution.** Licensor is ceasing business operations and intends to sell the Licensed Assets to a third party ("Purchaser"). In the event that Licensor or Purchaser allow any patents pertaining to the Licensed Assets to go abandoned or lapse, Licensee shall have the right to take over, at its expense, the prosecution and/or maintenance of such patents.

9. **Incorporation by Reference.** Sections 8.1 through 8.6 of the Purchase Agreement are incorporated herein by this reference.

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

ALL OPTICAL NETWORKS, INC.

By: [Signature]
Title: President & CEO

COMP-OPTICS, LLC

By: [Signature]
Title: [Signature]

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By: [Signature]
Title: President & CEO

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[Signature]

SCHEDULE 1

**ALL OPTICAL NETWORKS, INC.
PATENT CASE SUMMARY REPORT**

Case Number	Status	Serial/Patent No.	Title
2807.2.16.11	Issued Issued: 6/18/2002 Expires: 12/27/2020	09/753504 6407848	Servo-Stabilized-Phase, Differential Coherence Detector
2807.2.22.2	Issued Issued: 6/18/2002 Expires: 3/16/2021	09/810888 6407846	Photonic Wavelength Shifting Method
2807.2.16.4	Allowed	09/753744	Hyper-Heterodyning, Expanded Bandpass Apparatus and Method
2807.2.19.5	Allowed	09/872854	Active Waveshifting
2807.2.13.3	Pending Filed on 10/2/2000	09/678427	Compact, Photonic Image Router Apparatus and Method
2807.2.14.11	Pending Filed on 12/22/2000	09/747346	Cascaded Wave-Shift Multiplexing
2807.2.16.1	Pending Filed on 12/27/2000	09/753942	Holographic Manufacture of Coherence Detectors
2807.2.16.6	Pending Filed on 12/27/2000	09/754009	Multi-Domain, Wave-Division-Multiplexing Method
2807.2.16.9	Pending Filed on 12/27/2000	09/753499	Projected Phase Mask, Multi-Phase Interferometer
2807.2.16.10	Pending Filed on 12/27/2000	09/753502	Hyper-Resolution, Topographic, Holographic Imaging Apparatus and Method
2807.2.22.1	Pending Filed on 3/16/2001	09/810910	Photonic Wavelength Shifting Apparatus
2807.2.22.3	Pending Filed on 3/16/2001	09/810902	Modulation Synthesis Apparatus for Photonic Wavelength Shifting
2807.2.22.9	Pending Filed on 3/16/2001	09/810911	Recursive Photonic Wavelength Shifter
2807.2.22.6	Pending Filed on 3/16/2001	09/810881	Photonic Wavelength Error Detector
2807.2.22.5	Pending Filed on 3/16/2001	09/810884	Photonic Channel Allocator and Shifter

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2807.2.22.7	Pending Filed on 3/16/2001	09/810870	Apparatus for Wavelength Stabilized Photonic Transmission
2807.2.28.9	Pending Filed on 5/23/2001	60/292897	Generic Optical Modulator
2807.2.19.4	Pending Filed on 6/1/2001	09/872406	Tamed Spectrum Multiplexing
2807.2.19.0	Pending Filed on 6/1/2001	09/872381	Photonic Data Stabilization
2807.2.14.12	Pending Filed on 6/13/2001	09/881659	Orthogonal-Code, Photonic Multiplexing
2807.2.26.1	Pending Filed on 6/21/2001	09/886921	Recirculating Frequency Stacking Optical Memory
2807.2.22.11	Pending Filed on 8/3/2001	09/921761	Coherent Wavelength-Shifting Multiplexing Apparatus
2807.2.22.12	Pending Filed on 8/3/2001	09/922096	Wavelength-Shift Multiplexing Apparatus
2807.2.23.0	Pending Filed on 8/3/2001	09/922095	Optical Multiplexing by Code-Division, Minimum-Shift Keying
2807.2.22.10	Pending Filed on 9/13/2001	09/951147	Photonic Wavelength Error Detection Method
2807.2.22.8	Pending Filed on 3/16/2001	09/811178	Method for Wavelength Stabilized Photonic Transmission
2807.2.22.4	Pending Filed on 3/16/2001	09/810912	Modulation Synthesis Method for Photonic Wavelength Shifting
2807.2.29.0	Pending Filed on 4/5/2002	10/117939	Dynamically Optimized Photonic Wavelength Shifting Multiplexer Apparatus and Method
2807.2.29.1	Pending Filed on 5/3/2002	10/138187	Compound Asymmetric Interferometric Wavelength Converter
2807.2.32.0	Pending Filed on 5/22/2002	10/155308	Method and Apparatus for Forming a Lens on an Optical Fiber
2807.2.34.0	Pending Filed on 5/23/2002	10/155101	Generic Optical Modulator
2807.2.35.0	Pending Filed on 5/23/2002	10/155100	Virtual Filter-Bandwidth reduction and Frequency Stabilization Via Heterodyning
2807.2.36.0	Pending Filed on 5/23/2002	10/155448	Wavelength Division Multiplexed Network with Frame Switching
2807.2.28.0	Pending Filed on 5/22/2001	60/292907	Wave Shift Multiplexing
2807.2.28.1	Pending Filed on 5/22/2001	60/292865	Optical Multiplexing by Code Division Minimum Shift Keying

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2807.2.28.14	Pending Filed on 5/22/2001	60/292889	Recirculating Frequency-Stacking Optical Memory
2807.2.28.16	Pending Filed on 5/22/2001	60/292891	Multiplexer at 1310 Nanometers Using Mach Zehnder Harmonic Generation
2807.2.28.18	Pending Filed on 5/23/2001	60/292870	Optical Multiplexing Using Incidental Spectral-Line Separation
2807.2.28.23	Pending Filed on 5/23/2001	60/292887	Virtual Filter-Bandwidth Reduction and Frequency Stabilization Via Heterodyning
2807.2.28.25	Pending Filed on 5/23/2001	60/292873	Optical Source Mode Diversity Combining: An External Method
2807.2.28.26	Pending Filed on 5/23/2001	60/292875	Wavelength Division Multiplexed Network With Frame Switching
2807.2.28.28	Pending Filed on 5/23/2001	60/292868	Tamed-Spectrum Multiplexing (TSM)
2807.2.19P	Pending Filed on 5/29/2001	60/294198	A Non-inverting Optical Cross-gain Modulation Waveshifting Method with Improved Extinction Ratios
2807.2.22.27	Pending Filed on 6/1/2001	09/872405	Replicated-Spectrum Photonic Transceiver
2807.2.22.28	Pending Filed on 6/1/2001	09/872404	Replicated-Spectrum Photonic Transceiving
2807.2.14.13	Pending Filed on 6/13/2001	09/881651	Signal Power Allocation Apparatus and Method
2807.2.28.211	Pending Filed on 10/19/2001	60/346502	Method for Adaptive Optimization of Modulated Output Power in a Cross Gain Modulator
2807.2.28.212	Pending Filed on 10/19/2001	60/343433	Phase Cancellation Cross Gain Modulator
2807.2.28.213	Pending Filed on 10/19/2001	60/343434	Techniques to Improve Wavelength Conversion Using Phase Cancellation Cross Gain Modulation (PCXGM)
2807.2.28.214	Pending Filed on 10/19/2001	60/343416	Method of Fixing an Aligned Lensed Fiber to a Semiconductor Optical Amplifier
2807.2.28.215	Pending Filed on 10/19/2001	60/343435	Optically Controlled Beam Steering Using Semiconductor Optical Amplifier for Switching and Wavelength Conversion
2807.2.28.217	Pending Filed on 10/19/2001	60/346503	Method of Forming a Lens on an Optical Fiber

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2807.2.28.230	Pending Filed on 4/12/2002	60/372306	Distortion-Free Cross-Modulation of SOA for High Speed Wavelength Conversion
2807.2.28.232	Pending Filed on 5/10/2002	60/379565	Method of Matching a Filter Design to a Chirped Amplifier
2807.2.28.232A	Pending Filed on 5/22/2002	60/383337	Optimizing Filter Slope and Position for Minimizing Bit Error Rate
2807.2.28.29	Pending Filed on 5/29/2002	60/385110	Dynamically Optimized Photonic Waveshifting Multiplexer Counter-Propagating Configuration

PN

(note)

CERTIFICATE OF OFFICERS
of
ALL OPTICAL NETWORKS, INC.,
a Delaware corporation

Re: Asset Purchase Agreement by and between ALL OPTICAL NETWORKS, INC., as "Seller", and INTER PHOTONIC, INC., a Delaware corporation, as "Buyer".

THE UNDERSIGNED, Christopher J. Witt and Ralph Bennett, being the authorized officers of ALL OPTICAL NETWORKS, INC., a Delaware corporation (the "**Company**"), do hereby certify that they are familiar with the facts set forth herein and that they are true and correct as of the date hereof:

1. Attached as Exhibit A is a true, complete and correct copy of the Amended Certificate of Incorporation of the Company filed with the office of the Secretary of State of the State of Delaware on November 19, 2001, as certified by the Secretary of State of the State of Delaware, which Amended Certificate of Incorporation is presently in full force and effect and has not been amended or modified.

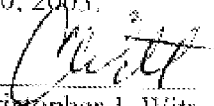
2. Attached as Exhibit B is a true and correct copy of the Bylaws of the Company dated as of December 18, 2000, which is presently in full force and effect and has not been amended or modified except as reflected on this Exhibit B.

3. Attached as Exhibit C is a true, complete and correct copy of the Certificate issued by the Secretary of State of the State of Delaware certifying that the Company is in good standing and has a legal corporate existence under the laws of the State of Delaware as of January 3, 2003.

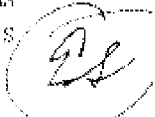
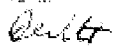
4. Attached as Exhibit D is a true, complete and correct copy of the Certificate of Status of Foreign Corporation issued by the Secretary of State of California certifying that the Company is entitled to transact intrastate business in the State of California as of January 3, 2003.

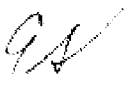
5. Attached as Exhibit E is a true, complete and correct copy of the Written Consent of the Stockholders of All Optical Networks, Inc., dated as of February 20, 2003, which has not been amended or modified and is in full force and effect.

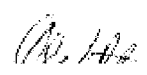
IN WITNESS WHEREOF, the undersigned have executed this Certificate effective as of February 20, 2003.

By: 
Christopher J. Witt
Its: Vice President, Finance and Administration

By: _____
Ralph Bennett
Its: President & CEO





CERTIFICATE OF OFFICERS
of
ALL OPTICAL NETWORKS, INC.,
a Delaware corporation

Re: Asset Purchase Agreement by and between ALL OPTICAL NETWORKS, INC., as "Seller", and INTER PHOTONIC, INC., a Delaware corporation, as "Buyer".

THE UNDERSIGNED, Christopher J. Witt and Ralph Bennett, being the authorized officers of ALL OPTICAL NETWORKS, INC., a Delaware corporation (the "Company"), do hereby certify that they are familiar with the facts set forth herein and that they are true and correct as of the date hereof:

1. Attached as Exhibit A is a true, complete and correct copy of the Amended Certificate of Incorporation of the Company filed with the office of the Secretary of State of the State of Delaware on November 19, 2001, as certified by the Secretary of State of the State of Delaware, which Amended Certificate of Incorporation is presently in full force and effect and has not been amended or modified.

2. Attached as Exhibit B is a true and correct copy of the Bylaws of the Company dated as of December 18, 2000, which is presently in full force and effect and has not been amended or modified except as reflected on this Exhibit B.

3. Attached as Exhibit C is a true, complete and correct copy of the Certificate issued by the Secretary of State of the State of Delaware certifying that the Company is in good standing and has a legal corporate existence under the laws of the State of Delaware as of January 3, 2003.

4. Attached as Exhibit D is a true, complete and correct copy of the Certificate of Status of Foreign Corporation issued by the Secretary of State of California certifying that the Company is entitled to transact intrastate business in the State of California as of January 3, 2003.

5. Attached as Exhibit E is a true, complete and correct copy of the Written Consent of the Stockholders of All Optical Networks, Inc., dated as of February ____, 2003, which has not been amended or modified and is in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed this Certificate effective as of February 7, 2003.

By: _____
Christopher J. Witt

Its: Vice President, Finance and Administration

By: _____
Ralph Bennett

Its: President & CEO

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Witt

Schedule I

Schedule of Patents

Case Number	Status	Serial/ Patent No.	Title
2807.2.1	Issued Issued: 3/3/1992 Expires: 3/3/2009	5674435093802	Optical Computing Method Using Interference Fringe Component Regions
2807.2.2	Issued Issued: 11/14/1995 Expires: 11/14/2012	08/4131305466925	Amplitude to Phase Conversion Logic
2807.2.3	Issued Issued: 9/10/1996 Expires: 4/10/2015	08/420195555126	Dual Phase Amplification with Phase Logic
2807.2.4	Issued Issued: 4/1/1997 Expires: 5/30/2015	08/4540705617249	Frequency-Multiplexed Logic, Amplification and Energy Beam Control
2807.2.5	Issued Issued: 4/22/1997 Expires: 12/16/2014	8/3574605623366	Photonic Signal Processing, Amplification, and Computing Using Special Interference
2807.2.6	Issued Issued: 7/1/1997 Expires: 4/19/2015	8/4241775644123	Photonic Signal Processing, Amplification, and Computing Using Special Interference
2807.2.7	Issued Issued: 11/25/1997 Expires: 9/17/2016	7152205691532	Photonic Heterodyning Having an Image Component Separator
2807.2.8	Issued Issued: 3/10/1998 Expires: 5/15/2015	8/4425295726804	WaveTrain Stabilization and Sorting
2807.2.9	Issued Issued: 6/23/1998 Expires: 9/19/2015	8/5323205770854	Pattern-Recognition Computing and Method for Producing Same
2807.2.9.1	Issued Issued: 7/24/2001 Expires: 6/22/2018	9/1021396263707	Pattern-Recognition Computing and Method for Producing Same
2807.2.10.1	Issued Issued: 11/10/1998 Expires: 11/10/2015	8/4092675835246	Addressable Imaging
2807.2.11	Issued Issued: 12/3/1996 Expires: 4/29/2014	2352485581763	Secure Architecture and Apparatus Using an Independent Computer Cartridge
2807.2.11.1	Issued Issued: 5/13/1997 Expires: 7/1/2016	6773245630057	Secure Architecture and Apparatus Using an Independent Computer Cartridge
2807.2.12	Issued Issued: 7/3/2001 Expires: 5/8/2018	09/0750466256124	Combination Photonic Time and Wavelength Division Multiplexer
2807.2.13.1	Issued Issued: 10/1/2002 Expires: 10/2/2020	09/6784266459827	Polarization-Stabilizing, Phase and Polarization Insensitive, Photonic Data Router

Schedule 1

2807.2.13.2	Issued Issued: 7/30/2002 Expires: 10/2/2020	9/6781096427033	Photonic Image Router
2807.2.16.11	Issued Issued: 6/18/2002 Expires: 12/27/2020	09/7535046407848	Servo-Stabilized-Phase, Differential Coherence Detector
2807.2.20.4	Issued Issued: 10/8/2002 Expires: 3/16/2021	09/8109016462877	Drop Filter Apparatus and Method
2807.2.22.2	Issued Issued: 6/18/2002 Expires: 3/16/2021	09/8108886407846	Photonic Wavelength Shifting Method
2807.2.13	Issued Issued: 11/5/2002 Expires: 10/2/2020	6477287	Polarization-Preserving, Phase and-Polarization-Insensitive, Photonic Data Router
2807.2.16.4	Issued Issued: 10/29/2002 Expires: 12/27/2020	6475222	Hyper-Heterodyning, Expanded Bandpass Apparatus and Method
2807.2.19.5	Allowed	09/872854	Active Wavelength
2807.2.13.3	Pending Filed on 10/2/2000	09/678427	Compact, Photonic Image Router Apparatus and Method
2807.2.14.0	Pending Filed on 10/16/2000	09/690676	Photonic Delay-Domain-Multiplexing Apparatus and Method
2807.2.14.1	Pending Filed on 10/16/2000	09/690192	Dynamically Re-Configurable, Broadcast Routing Apparatus and Method
2807.2.14.9	Pending Filed on 10/16/2000	09/690190	Dynamic-Photonic, Provisioning, Dropping, and Adding Apparatus and Method
2807.2.14.10	Pending Filed on 10/16/2000	09/690188	Compound-Modulated, Preconditioned, Delay-Domain, Multiplexing Apparatus and Method
2807.2.14.3	Pending Filed on 10/19/2000	09/693680	Phase-Sequenced, Photonic, Delay-Domain Multiplexing Apparatus and Method
2807.2.14.2	Pending Filed on 10/19/2000	09/692901	Reduced-Energy Transmission Apparatus & Method for NRZ Signal
2807.2.14.4	Pending Filed on 10/19/2000	09/693291	Polarization-Sequenced, Photonic, Delay-Domain Multiplexer Apparatus & Method
2807.2.14.11	Pending Filed on 12/22/2000	09/747346	Cascaded Wave-Shift Multiplexing
2807.2.16.1	Pending Filed on 12/27/2000	09/753942	Holographic Manufacture of Coherence Detectors
2807.2.16.0	Pending Filed on 12/27/2000	09/753501	Multi-Domain Differential Coherence Detection
2807.2.14.5	Pending Filed on 12/27/2000	09/753503	Signal-Concentrating Photonic, Pulse Shaping Apparatus and Method
2807.2.14.6	Pending Filed on 12/27/2000	09/755498	Fully Photonic High Speed Reduced Energy Density Burst Generator
2807.2.16.6	Pending Filed on 12/27/2000	09/754009	Multi-Domain, Wave-Division-Multiplexing Method
2807.2.14.7	Pending Filed on 10/19/2000	09/693581	Compound Heterogeneous Multiplexing of Non-Homogeneous, Photonic Networks
2807.2.16.8	Pending Filed on 12/27/2000	09/753497	Multi-Domain, Photonic Fingerprint Analyzer
2807.2.16.9	Pending Filed on 12/27/2000	09/753499	Projected Phase Mask, Multi-Phase Interferometer

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2807.2.16.10	Pending Filed on 12/27/2000	09/753502	Hyper-Resolution, Topographic, Holographic Imaging Apparatus and Method
2807.2.16.7	Pending Filed on 12/27/2000	09/753500	Phase-Compensated, Coherence-Detection Interferometer
2807.2.12.1	Pending Filed on 2/16/2001	09/785524	Combination Photonic Time and Wavelength Division Multiplexer
2807.2.12.2	Pending Filed on 3/16/2001	09/810880	Combination Photonic Time and Wavelength Division Demultiplexer
2807.2.20.1	Pending Filed on 3/16/2001	09/810882	Hyper-Dense Encoding Apparatus and Method
2807.2.22.1	Pending Filed on 3/16/2001	09/810910	Photonic Wavelength Shifting Apparatus
2807.2.20.0	Pending Filed on 3/16/2001	09/810879	Hyper-Dense Photonic Signal Apparatus
2807.2.21.0	Pending Filed on 3/16/2001	09/810887	Spatially Multiplexed Rainbow Display
2807.2.12.3	Pending Filed on 3/16/2001	09/810900	Combination Photonic Time and Wavelength Division Multiplexing Method
2807.2.20.3	Pending Filed on 3/16/2001	09/810886	Hyper Dense Photonic Signal Method
2807.2.22.3	Pending Filed on 3/16/2001	09/810902	Modulation Synthesis Apparatus for Photonic Wavelength Shifting
2807.2.23.9	Pending Filed on 3/16/2001	09/810911	Recursive Photonic Wavelength Shifter
2807.2.22.6	Pending Filed on 3/16/2001	09/810881	Photonic Wavelength Error Detector
2807.2.22.5	Pending Filed on 3/16/2001	09/810884	Photonic Channel Allocator and Shifter
2807.2.12.6	Pending Filed on 3/16/2001	09/810885	Combination Photonic Time and Wavelength Division Multiplexing Method
2807.2.20.3	Pending Filed on 3/16/2001	09/810878	Hyper Dense Photonic Pulse Cleaner
2807.2.22.7	Pending Filed on 3/16/2001	09/810870	Apparatus for Wavelength Stabilized Photonic Transmission
2807.2.28.7	Pending Filed on 5/23/2001	60/292899	Sync Pulses for OTDM
2807.2.28.9	Pending Filed on 5/23/2001	60/292897	Generic Optical Modulator
2807.2.19.4	Pending Filed on 6/1/2001	09/872406	Tamed Spectrum Multiplexing
2807.2.19.0	Pending Filed on 6/1/2001	09/872381	Photonic Data Stabilization
2807.2.14.12	Pending Filed on 6/13/2001	09/881659	Orthogonal-Code, Photonic Multiplexing
2807.2.26.1	Pending Filed on 6/21/2001	09/886921	Recirculating Frequency Stacking Optical Memory
2807.2.20.6	Pending Filed on 8/3/2001	09/921760	Filtered Hyper Dense Wave Division Multiplexing Method
2807.2.22.11	Pending Filed on 8/3/2001	09/921761	Coherent Wavelength-Shifting Multiplexing Apparatus
2807.2.20.5	Pending Filed on 8/3/2001	09/922097	Hyper Dense Wave Division Multiplexing Method

2807.2.22.12	Pending Filed on 8/3/2001	09/922096	Wavelength-Shift Multiplexing Apparatus
2807.2.23.0	Pending Filed on 8/3/2001	09/922095	Optical Multiplexing by Code-Division, Minimum-Shift Keying
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2807.2.22.8	Pending Filed on 3/16/2001	09/811178	Method for Wavelength Stabilized Photonic Transmission
2807.2.22.4	Pending Filed on 3/16/2001	09/810912	Modulation Synthesis Method for Photonic Wavelength Shifting
2807.2.12.4	Pending Filed on 9/13/2001	09/951168	Synchronization Pulse for the Enhancement of the OTDM
2807.2.20.7	Pending Filed on 9/14/2001	09/953319	Hyper-Dense Multi-Wavelength Packet Method
2807.2.20.8	Pending Filed on 9/14/2001	09/953389	Frequency-Shifted, Hyper-Dense Signal Method
2807.2.20.9	Pending Filed on 9/17/2001	09/952575	Hyper-Dense De-Multiplexing Method
2807.2.29.0	Pending Filed on 4/5/2002	10/117939	Dynamically Optimized Photonic Wavelength Multiplexer Apparatus and Method
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2807.2.32.0	Pending Filed on 5/22/2002	10/155308	Method and Apparatus for Focusing a Lens on an Optical Fiber
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2807.2.35.0	Pending Filed on 5/23/2002	10/155100	Virtual Filter-Bandwidth reduction and Frequency Stabilization Via Heterodyning
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2807.2.28.16	Pending Filed on 5/22/2001	60/292891	Multiplexer at 1310 Nanometers Using Mach Zehnder Harmonic Generation
2807.2.28.12	Pending Filed on 5/23/2001	60/292893	Synch Pulse Enhancement for the OTDM Multiplexor
2807.2.28.18	Pending Filed on 5/23/2001	60/292870	Optical Multiplexing Using Incidental Spectral-Line Separation
2807.2.28.23	Pending Filed on 5/23/2001	60/292887	Virtual Filter-Bandwidth Reduction and Frequency Stabilization Via Heterodyning
2807.2.28.25	Pending Filed on 5/23/2001	60/292873	Optical Source Mode Diversity Combining: An External Method
2807.2.28.26	Pending Filed on 5/23/2001	60/292875	Wavelength Division Multiplexed Network With Frame Switching
2807.2.28.28	Pending Filed on 5/23/2001	60/292868	Tamed-Spectrum Multiplexing (TSM)
2807.2.19P	Pending Filed on 5/29/2001	60/394198	A Non-inverting Optical Cross-gain Modulation Wavelength Shifting Method with Improved Extinction Ratios

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2807.2.22.27	Pending Filed on 6/1/2001	09/872405	Replicated-Spectrum Photonic Transceiver
2807.2.22.28	Pending Filed on 6/1/2001	09/872404	Replicated-Spectrum Photonic Transceiving
2807.2.14.13	Pending Filed on 6/13/2001	09/881651	Signal Power Allocation Apparatus and Method
2807.2.28.211	Pending Filed on 10/19/2001	60/346502	Method for Adaptive Optimization of Modulated Output Power in a Cross Gain Modulator
2807.2.28.212	Pending Filed on 10/19/2001	60/343433	Phase Cancellation Cross Gain Modulator
2807.2.28.213	Pending Filed on 10/19/2001	60/343434	Techniques to Improve Wavelength Conversion Using Phase Cancellation Cross Gain Modulation (PCXGM)
2807.2.28.214	Pending Filed on 10/19/2001	60/343416	Method of Fixing an Aligned Lensed Fiber to a Semiconductor Optical Amplifier
2807.2.28.215	Pending Filed on 10/19/2001	60/343435	Optically Controlled Beam Steering Using Semiconductor Optical Amplifier for Switching and Wavelength Conversion
2807.2.28.217	Pending Filed on 10/19/2001	60/346503	Method of Forming a Lens on an Optical Fiber
2807.2.28.230	Pending Filed on 4/12/2002	60/372306	Distortion-Free Cross-Modulation of SOA for High Speed Wavelength Conversion
2807.2.28.232	Pending Filed on 5/10/2002	60/379565	Method of Matching a Filter Design to a Chirped Amplifier
2807.2.28.232A	Pending Filed on 5/22/2002	60/381337	Optimizing Filter Slope and Position for Minimizing Bit Error Rate
2807.2.28.29	Pending Filed on 5/29/2002	60/385110	Dynamically Optimized Photonic Wavelength Multiplexer Counter-Propagating Configuration

SCHEDULE 2

SCHEDULE OF TRADEMARKS OF ALL OPTICAL NETWORKS, INC.

Case Number	Status	App. / Serial No.	Mark
2807.3.8	Allowed 7/30/2002 Filed on 5/3/2001	76/254740	Metroscout
2807.3.9	Allowed 8/13/2002 Filed on 5/3/2001	76/254735	Metrocarrier
2807.3.10	Allowed 7/30/2002 Filed on 5/3/2001	76/254738	Metroarbiter
2807.3.11	Allowed 7/30/02 Filed on 5/3/2001	76/254739	Metroramp
2807.3.14	Allowed 9/3/2002 Filed on 5/21/2001	76/260497	The Speed is Light
2807.3.1	Pending Filed on 1/19/2001	76/196938	AON
2807.3.6	Pending Filed on 2/8/2001	76/208170	AON
2807.3.7	Pending Filed on 6/15/2001	76/271920	All Optical Networks
2807.3.13	Pending Filed on 5/21/2001	76/259874	Illuminating Innovation
2807.3.15	Pending Filed on 5/6/2002	76/404307	Wave Shift Multiplexing
2807.3.16	Pending Filed on 5/3/2002	76/407231	WSM

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West

Optical power meter	1	Newport	1830-C
Oscilloscope	2	Tektronik	7623A
Oscilloscope	1	Protek	P-3502C
2 channel digital real time oscilloscope	1	Tektronix	TDS220
Tunable light source	1	Santec	TSL-210
Module - single mode clock recovery	1	HP	83494A
Signal generator	1	HP	8648B
Optical attenuator	1	Agilent	8156A
Communications analyzer OC 3 - 12	1	TTC - Dynatech	T-Berd310
Solder / desolder	1	Hako	703
Solder station	1	Hako	940
Infa-Red camera	1	Electro Physics	7290
Temperature controlled mount	1	Newport	700P
Microscope	2	Bausch & Lomb	ASZ251.12
Q band RF section	1	HP	11974Q
Power meter	1	Leonix	35PM
Attenuator	1	HP	8494B
Fiber Optic Illuminator	1	Dolan Jenner	3100
DPM Microfilter	1	Queensgate	DPM300B
Fiber Optic Illuminator	1	Fiber Optic Specialties	None
Signal generator	1	Wavetek	907A
Optical wavelength meter	1	Anritsu	MF91A
Laser diode controller	1	IXL Lightwave	LDC-3724B
Laser diode controller	1	IXL Lightwave	LDC-3724
Laser diode controller	1	IXL Lightwave	LDC-3908
Pulse generator	3	HP	8082A
Hot Plate - yellow	1	Thermaxlync	Cimaree 2
Label printer	1	Zebra	TLP2742
Industrial dehumidifier	1	Dry-Air	MD-4S
Electronic air cleaner	1	Friedrich	Unknown
Air purifier	1	Lake Air	Unknown
Benchtop air ionizer	1	3M	963
Humidifier	1	Comfort Air	Unknown
Humidifier	1	Bionaire	W-9
Fume extraction system	4	Hako	HJ3100
Erbium doped amplifiers	2	ADVA	Unknown
Optical test sets in cases	2	EXFO	FTB300
Matrix test equipment inc.- TV tester	1	Matrix Test Equipment	PSX-6C
Silicon probe	1	Laser Precision	AM-410
Single mode OTDR	1	Tektronics	OU235
Universal counter	1	HP	5328A
VHF signal generator	1	HP	608E
HV pulse generator	1	Laser Metrics	8612
HV pulse generator	1	Laser Metrics	8601

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Pocket cell driver for P.G., 33025 / 33026	2	Cleveland Crystals	IPD2545
Electronic shutter system	1	Jodon	ES-100
Lamp system	1	Oriel	66057
Steel cart with 4 wheels	1	Unknown	Unknown
Water purification system	1	Barnstead	D2
Eye wash station	1	Zee Protector 1	Unknown
DC/DC switchers	12	Vicor	VI-LCNI-EW
Fiber optic receiver	1	Princeton Electronics	PFR-951
Power supply	5	Astec	LPS257
Media converter 10 Base T	1	Transition	Unknown
Media converter 100 Base TX	1	Transition	Unknown
Laser	1	IXI Lightwave	44121282
Volt Meter	1	Wavetek	23XT
Lamp (Prisma-Lite)	1	Caulk	PR-1
Scalable emulation	1	EST	Unknown
Variable speed chopper	1	Princeton	222
AC/DC converter	1	Wall	UL485-100
Power converter	1	IPS	PU055-23-M5
LD driver	1	Thorlabs	TCLDM9-FEC
Compact PCI 300W	1	Vector	2600-300
Editor 8 mm	1	GoldCrest	Danf 8mm
Stabilized Laser HeNe	1	Melles Griot	Unknown
Femtosecond laser kit	1	Home made Russian	Unknown
Laser stepper	1	Unknown	Unknown
Light source & computer in rack for stepper	1	Unknown	HA-10C1
Housing for laser stepper	1	Unknown	Unknown
Blue M oven	1	Blue M	Unknown
4 wheel cart with flat tires	1	Unknown	Unknown
Ultrasonic cleaner	1	Aquasonic	550T
Vacuum pump motor gear drive	1	Thomas	607CA22
Gear motor	1	Bodine	NSU-33K
Windjammer motor	1	Ametek	116246-00XE
A-C motor vacuum pump	1	Westinghouse	1/3 Hp
UPS 4500 continuous watts	1	Toshiba 1100UPS	UTN-A60500-M200
Yag Laser power supply	1	Quantel	
Yag Laser	1	General Laser Inc	700CW Yag
Chiller for stepper	1	Caron	HPC 5.5
Diode laser and driver	1	SDL	SDL820
Carts to move heavy tables	2	Unknown	Unknown
5 Axis motion controller rack with computer	1	SMAC	Unknown
Flow hoods	3	Unknown	Unknown
Spray paint booth w/ filters	1	Unknown	Unknown
Electronic scale	1	Ohaus	Unknown

Table top optics table - micro	1	Melles Griot	Unknown
Optics table with 4 legs each	2	Melles Griot	Unknown
Air Legs for optics table	4	Melles Griot	Unknown
Large stainless steel table with 5 legs	1	Newport	Unknown
Overhead equipment rack	1	Newport	Unknown
Equipment racks - empty	2	Unknown	Unknown
Tape dispenser for packing tape	1	Unknown	Unknown
Metro racks	3	Unknown	Unknown
Electronic Assembly tables	23	Unknown	Unknown
Tables	5	Unknown	Unknown
Mantis scope	1	Unknown	Unknown
Wire spool rack	1	Unknown	Unknown
Pin vices	6	Unknown	Unknown
Plastic 4 wheel carts	2	Unknown	Unknown
Outdoor building signage - white letters & logo (buyer must remove)	1	Unknown	Unknown
Lobby signage - blue (buyer must remove)	1	Unknown	Unknown
Lobby signage - black letters & logo (buyer must remove)	1	Unknown	Unknown
Executive office set (cherry): 1 desk, 1 side, 2 drawer lateral, 1 cabinet, 1 bookshelf 3 chairs	1	Unknown	Unknown
Red colored board of Director table with 12 black chairs	1	Unknown	Unknown
Red colored encased hanging white board and projector screen	1	Unknown	Unknown
Desk	3	Unknown	Unknown
Chair	3	Unknown	Unknown
File cabinet	3	Unknown	Unknown
Display case	1	Unknown	Unknown
Electronic white board	1	Panasonic	KX-BSS0E
Photocopier	1	Canon	C122F
Fax machine / copier	1	Canon	C755
CPU with monitor	4	Unknown	Unknown
Printer	1	Hewlett Packard	722C
4 drawer upright file cabinets	2	Hon	Unknown
5 drawer lateral file	1	Unknown	Unknown
4 drawer lateral file	1	Unknown	Unknown
2 drawer lateral file	2	Unknown	Unknown
5 drawer upright file cabinet / safe	1	Western	Unknown
4 drawer upright file cabinet / safe	1	Western	Unknown
Typewriter	1	Brother	M1,100
Shredder - crosscut	1	GBC	75X
Websites - CD/electronic format (HTML, Flash, etc.)	1	n/a	n/a

**ARTICLES OF MERGER OF
INTER PHOTONIC, INC., A DELAWARE CORPORATION
INTO
INTERPHOTONIC, INC., AN OREGON CORPORATION**

The undersigned corporation DOES HEREBY CERTIFY THAT:

FIRST: An Agreement and Plan of Merger between Interphotonic, Inc., an Oregon Corporation (the "Surviving Corporation") and Inter Photonic, Inc., a Delaware Corporation (the "Merged Corporation") as set forth herein below has been approved, adopted, certified, executed, and acknowledged effective as of April 29, 2003 (the "Effective Time") by each of the constituent corporations in accordance with the requirements of Chapter 60 of the Oregon Revised Statutes and Section 253 of the General Corporation Law of Delaware.

SECOND: The Surviving Corporation and the Merged Corporation hereby agree to merge in accordance with the following plan:

1. Merger. The Merged Corporation shall be merged with and into the Surviving Corporation, and the Surviving Corporation shall survive the merger, all as, and with the effect, provided by the corporation laws of the State of Oregon and the State of Delaware, and the Agreement and Plan of Merger. An appropriate Articles of Merger shall be signed, verified and delivered for filing with the Secretary of the State of Oregon and an appropriate Certificate of Merger shall be signed, verified and delivered for filing with the Secretary of the State of Delaware.

2. Directors and Officers and Governing Documents. The directors and officers of the Surviving Corporation shall be the same upon the Effective Time as they are for the Surviving Corporation immediately prior thereto. The Articles of Incorporation of the Surviving Corporation shall continue to be the Articles of Incorporation of the Surviving Corporation as the surviving corporation without change or amendment until further amended in accordance with the provisions thereof and applicable laws. The by-laws of the Surviving Corporation, as in effect at the Effective Time, shall continue to be the by-laws of the Surviving Corporation as the surviving corporation without change or amendment until further amended in accordance with the provisions thereof and applicable laws.

3. Rights and Liabilities of the Surviving Corporation. At and after the Effective Time, the Surviving Corporation shall possess all of the rights, privileges, immunities and franchises of a public and private nature of the Merged Corporation; any and all property, real, personal and mixed, and any and all debts due to the Merged Corporation on whatever account, and all other choses in action, and all and every other interest of the Merged Corporation shall be taken and transferred to and vested in the Surviving Corporation without further act or deed; and the title to any real estate, or any interest therein, vested in such corporation shall not prevent or be in any way impaired by reason of the merger.

4. Further Assurances. From time to time, as and when required by the Surviving Corporation, there shall be executed and delivered on behalf of the Merged Corporation such deeds and other instruments, and there shall be taken or caused to be taken by it all such further and other action, as shall be appropriate or necessary in order to vest, perfect or confirm, of record or otherwise, in the Surviving Corporation the title to and possession of powers, franchises and authority of the Merged Corporation and otherwise to carry out the purposes of the Agreement and Plan of Merger, and the officers and directors of the Surviving Corporation are fully authorized in the name and on behalf of the Merged Corporation or otherwise to take any and all such action and to execute and deliver any and all such deeds and other instruments.

5. Stock of the Merged Corporation. Upon the Effective Time, by virtue of the Agreement and Plan of Merger, and without any action on the part of the holder thereof, each share of the issued and outstanding common stock of the Merged Corporation held as of record by the Surviving Corporation immediately prior thereto shall be cancelled and retired.

6. Stock of the Surviving Corporation. Upon the Effective Time, by virtue of the Agreement and Plan of Merger, and without any action on the part of the holder thereof, each share of Common Stock of the Surviving Corporation outstanding immediately prior thereto shall retain the status of an authorized and issued share of Common Stock of the Surviving Corporation.

7. Employee Benefit Plans. As of the Effective Time, the Surviving Corporation shall assume all obligations of the Merged Corporation under any and all employee benefit plans in effect as of such time or with respect to which employee rights or accrued benefits are outstanding as of such time.

8. Book Entries. As of the Effective Time, entries shall be made up on the books of the Surviving Corporation in respect of the Agreement and Plan of Merger, with all assets and liabilities of the Merged Corporation immediately prior to the Effective Time shall be carried on the books of the Surviving Corporation at the same amounts at which they were carried on the books of the Merged Corporation immediately prior to the Effective Time.

9. Appointment of Agent. The Surviving Corporation hereby consents to service of process in the State of Delaware in any action or special proceeding for the enforcement of any liability or obligation of the Merged Corporation, and hereby irrevocably appoints the Secretary of State of such jurisdiction as the Surviving Corporation's agent to accept service of process in any such action or special proceeding for the enforcement of any such liability or obligation. The address of the Secretary of State of such jurisdiction shall be notified by the Secretary of State of such jurisdiction to the Surviving Corporation by mail to the following address: PATENT, INC., 12000 HIGHWAY 94, SUITE 200, SAN DIEGO, CALIFORNIA 92120, Attention: Secretary.

10. Assent. The Agreement and Plan of Merger may be amended, altered, modified or waived by the affirmative vote of the Board of Directors of the Merged Corporation to be necessary, advisable or expedient, provided that no such amendment, alteration, modification or waiver shall adversely affect the rights and interests of the stockholders of the Merged Corporation.

11. Abandonment. At any time before the Effective Time, the Agreement and Plan of Merger may be terminated and the merger may be abandoned by the Board of Directors of the Merged Corporation, notwithstanding approval of the Agreement and Plan of Merger by the shareholders of the Surviving Corporation or by the shareholders of the Merged Corporation or any of them.

12. Counterparts. In order to facilitate the filing and recording of the Agreement and Plan of Merger, the same may be executed in two or more counterparts, each of which shall be deemed to be an original and the same agreement.

THIRD: Shareholder approval was not required by the Surviving Corporation pursuant to Section 60.491 of the Oregon Revised Statutes.

FOURTH: Shareholder approval was not required by the Merged Corporation pursuant to Section 60.491 of the Oregon Revised Statutes.

Executed this 30th day of September 2003

Edward Sullivan, President & Secretary