

PATENT ASSIGNMENT

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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
Sanyo E&E Corporation	06/20/2005
RECEIVING PARTY DATA	
Name:	Solar Tracking Skylights, Inc.
Street Address:	4043 N. Ravenswood
Internal Address:	Suite 219
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60613
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	6827445
CORRESPONDENCE DATA	
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ATTORNEY DOCKET NUMBER:	SANYO/SOLAR TRACK (PZ)
NAME OF SUBMITTER:	Michael Tomsa
Total Attachments: 7 source=Agreement#page1.tif source=Agreement#page2.tif	

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ASSET PURCHASE OPTION AGREEMENT

THIS AGREEMENT (this "Asset Agreement") is made and entered into as of June 20, 2005 (the "Effective Date") between SANYO E&E CORPORATION, a Delaware corporation, having its principal place of business at 2001 Sanyo Avenue, San Diego, CA 92154-6229 on behalf of itself and its subsidiary, SANYO E&E S.A. de C.V. (collectively "SEE") and SOLAR TRACKING SKYLIGHTS, INC., an Illinois corporation, having its principal place of business at 350 North Orleans Street Suite 950, Chicago IL 60618 ("STS"). SEE and STS are sometimes hereinafter collectively referred to as the "Parties" and individually as a "Party."

ARTICLE I TERM AND TERMINATION

1.1 Term. The term of this Asset Agreement shall commence as of the Effective Date and shall continue until expiration of the last to expire of US Patent Numbers 6,433,932, 6,493,145 and 6,801,361 (collectively, the "Patents") involved with the design, manufacture, installation and servicing of the product known as an "ADS-600 kits" ("Completed Products"), unless earlier terminated in accordance with this Article I or upon expiration of the Option (defined hereinbelow) term. With respect to the expiration of the Patents, any renewal costs or any other maintenance obligation shall be solely borne by STS; provided, however, SEE agrees to reasonably cooperate with STS to the extent necessary to renew the Patents.

1.2 Termination. After STS has paid the "Purchase Price" (defined below) to SEE, SEE shall have no right to terminate this Agreement. Subject to the preceding sentence, if a Party materially breaches its obligations under this Asset Agreement, the other Party may elect to terminate this Asset Agreement, but only in accordance with the following procedure: (i) the terminating Party must give the breaching Party a written notice of default specifying in reasonable detail the nature of the alleged material breach; (ii) except in the case of failure to pay any amounts due, for which there shall only be a 10 day grace period, the breaching Party shall have a ninety (90) day grace period after its receipt of the notice of default to correct or cure any material breach specified therein; and (iii) if such default is not cured to the reasonable satisfaction of the terminating Party upon expiration of the applicable grace period, if any, at the election of the non-breaching Party, the termination shall then become immediately effective, without prejudice to any other rights or remedies to which the non-breaching Party may be entitled.

ARTICLE II OPTION TO PURCHASE OF ASSETS, PRICE AND PAYMENT TERMS

2.1 Purchase Price. The purchase price that STS shall pay to SEE for the Purchased Assets (as defined hereinbelow) shall be Two Hundred Thousand U.S. Dollars (\$200,000) (the "Purchase Price").

2.2 Payment of Purchase Price. The Purchase Price shall be paid in installments according to the following schedule:

- \$ 50,000 payable upon exercise of the Option.
- \$ 37,500 payable on the 3-month anniversary of the exercise of the Option.
- \$ 37,500 payable on the 6-month anniversary of the exercise of the Option.
- \$ 37,500 payable on the 9-month anniversary of the exercise of the Option.
- \$ 37,500 payable on the 12-month anniversary of the exercise of the Option.

2.3 Option to Purchase and Sale of Purchased Assets. SEE hereby grants to STS the exclusive right to purchase the Purchased Assets (the "Option"), which shall be exercisable (upon written notification and payment of the above-referenced \$50,000 installment payment by STS to SEE) immediately and shall expire, along with this Asset Agreement and each of its terms and conditions, and be of no further force or effect on the close of business (pacific time) on June 19, 2006. Upon exercise of the Option, STS also agrees to purchase all of the remaining inventory of Completed Products within two (2) years from the date of exercise of the Option. Upon full payment of the Purchase Price, SEE sells, assigns, conveys and delivers to STS, good and marketable title to all of the Purchased Assets, and except as otherwise provided in this Asset Agreement, free and clear of all known claims, liabilities, taxes, liens, security interests, encumbrances, restrictions and adverse rights of use or ownership, of any kind or nature whatsoever. Until payment in full of the Purchase Price, SEE shall retain a purchase money security interest in, and the right to repossess, the Purchased Assets.

Or \$150,000
one time
payment
2/6/07

(Signature)

K. Holt
9/27/06

2/6/07 (Signature)
\$150,000

2.4 Purchased Assets. As used in this Asset Agreement, the term "Purchased Assets" shall mean and include the following assets, properties and rights of SEE used in or pertaining to the design, development, manufacture, marketing and sale of the Completed Products (collectively, the "Acquired Product Line Operations"):

- (a) all remaining lens, dome, mirror, and controller assemblies (collectively, the "Assemblies") not incorporated into Completed Products;
- (b) all tooling and molds used by SEE in the manufacture of the Completed Products;
- (c) all bills of material and costed bills of material, all circuit diagrams and schematics pertaining to the Completed Products, all product performance test results and analyses performed on the Product, all third party certifications and analyses performed on the Product (except those incorporating the name, trademark or wordmark of SEE or any third party, including but not limited to SNS), all product costing analyses performed on the Product, copies of all contracts with non-SANYO third parties that have manufactured Assemblies for use incorporation into the Product, all engineering drawings, solar azimuth data and solar tracking analyses, all material and component evaluations used by SEE in its selection of the parts and Assemblies used in the assembly of the Product, all Product failure and service data accumulated by SEE in connection with the Acquired Product Line Operations, all production and assembly documentation necessary for the manufacture of the Completed Products, all documentation necessary for the installation of the Completed Products, a non-exclusive, non-assignable, royalty-free license to any other intellectual property (other than the names, trademarks and wordmarks of SEE or its affiliated companies, including but not limited to "SANYO"), and the right to use the Patents used in the Acquired Product Line Operations in the possession of SEE;
- (d) all controller software, source code, flow charts and logic diagrams used in or by the Product, installation set-up tools and software, all set-up software source code, and software documentation.

2.5 No Assumed Liabilities. Unless otherwise provided in this Asset Agreement, no liabilities, debts or obligations of SEE of any kind or nature, absolute or contingent, arising out of the conduct of the Acquired Product Line Operations or otherwise related to the Product prior to the Effective Date, are or shall be assumed by STS, and STS shall not be obligated with respect to any liability or obligation of SEE, whether known or unknown, accrued, absolute, contingent or otherwise, including, without limitation, any warranty or product liability and any liability under applicable law. Furthermore, no liabilities, debts or obligations of STS of any kind or nature, absolute or contingent, arising out of the conduct of the Acquired Product Line Operations or otherwise related to the Product after the Effective Date, are or shall be assumed by SEE, and SEE shall not be obligated with respect to any liability or obligation of STS, whether known or unknown, accrued, absolute, contingent or otherwise, including, without limitation, any warranty or product liability and any liability under applicable law. Any NAFTA, customs, import/export or maquiladora registration, tax, fee, or any other financial or procedural requirement are the sole and absolute responsibility of STS.

2.6 No Warranty. The Purchased Assets and the Acquired Product Line Operations are being sold "as-is, where-is and with all faults."

ARTICLE III. GRANT OF RIGHT TO USE

3.1 Fully Paid-Up Right to Use. Commencing with payment of the first installment of the Purchase Price, SEE hereby grants to STS royalty-free, fully-paid up (as of the Effective Date of this Asset Agreement, meaning that any renewal or maintenance fee or obligation shall be the sole and absolute responsibility of STS) right to use the Patents to:

- (a) make or, have made repair, rebuild and refurbish any Completed Products;
- (b) otherwise manufacture, distribute and practice the technology, inventions and other subject matter that are covered by the claims in any of the Patents.

Furthermore, SEE shall not grant to any third party the right to use the Patents during the Term of this Asset Agreement.

3.2 Improvements. The parties expressly acknowledge and agree that any improvements and modifications relating to the Purchased Assets or Patents that STS develops or otherwise acquires shall be the sole and exclusive property of STS, and STS shall have no obligation to disclose or assign such improvements or modifications to SEE.

SEE
Assignment of Patent
when paid
in full
OK
K. Hook
9/22/06

3.3 Non-Competition Covenant of SEE. SEE shall not manufacture or sell products that are directly competitive with the Completed Products, nor shall it assist any third party in any way that intends to compete with the Completed Products, for a period of five (5) years from the Effective Date.

ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF THE PARTIES

4.1 Representations and Warranties of SEE. SEE represents and warrants to STS as of the Effective Date that, to the best of its knowledge:

(a) the execution, delivery and performance of this Asset Agreement by SEE have been duly authorized by all necessary corporate action of SEE, and constitutes the valid, legal and binding obligation of SEE, enforceable against SEE in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, moratorium, insolvency or other similar laws effecting the rights of creditors generally and by equitable principles;

(b) the Patents are and will remain valid and enforceable, provided that STS fulfills its renewal and maintenance obligations described throughout this Asset Agreement;

(c) SEE is not a party to any other valid contract or arrangement with respect to the Purchased Assets and Patents;

(d) the rights to use the Patents under this Asset Agreement confer upon STS all intellectual property rights necessary for it to use the Patents to conduct the Acquired Product Line Operations.

4.2 Representations and Warranties of STS. STS represents and warrants to SEE as of the Effective Date that:

(a) the execution, delivery and performance of this Asset Agreement by STS have been duly authorized by all necessary corporate action of the STS, and constitutes the valid, legal and binding obligations on STS, enforceable against STS in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, moratorium, insolvency or other similar laws effecting the rights of creditors generally and by equitable principles; and

(b) it has had ample opportunity to perform any and all due diligence desired or necessary in order to complete this transaction and enter into this Asset Agreement, and is completely satisfied with the results of said due diligence opportunities irrespective of the fact that the Purchased Assets and the Acquired Product Line Operations are being sold "as-is, where-is and with all faults."

ARTICLE V. INDEMNIFICATION

5.1 STS Indemnification of SEE. Except as provided in the last sentence of this Section 5.1, STS shall protect, defend, indemnify and hold harmless the SEE from and against any and all actions, suits, claims, or demands whatsoever, including all damage awards, injuries, attorneys fees and all other costs and expenses connected therewith, which any of them may incur or become liable to pay and which arise out of or relate to the manufacture, operation, ownership, management or sale of the Purchased Assets or Completed Products or the breach of any of its other representations, warranties and covenants made in this Asset Agreement, provided that SEE shall furnish STS with reasonably prompt written notice of any such action, suit, claim or demand and reasonably cooperate with STS in the defense thereof, at STS's expense. Notwithstanding the foregoing, STS shall not be obligated to indemnify SEE for any claim that SEE is obligated to indemnify STS under Section 5.2 hereof.

5.2 SEE Indemnification of STS. SEE shall protect, defend, indemnify and hold harmless STS from and against any and all actions, suits, claims, or demands whatsoever, including all damage awards, injuries, attorneys fees and all other costs and expenses connected therewith, which any of them may incur or become liable to pay and which arise out of or are based upon (a) any claim or allegation that is inconsistent with the representations, warranties and covenants of SEE set forth in Section 4.1 hereof; (b) any claim or allegation that the Patents, or any one of them, was invalid as of the Effective Date of this Asset Agreement or that SEE violates or infringes any intellectual property rights of any third party before the Effective Date; or (c) SEE's breach of any of its other representations, warranties and covenants to STS made in this Asset Agreement.

ARTICLE VI MISCELLANEOUS

6.1 Governing Law. This Asset Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to the conflicts of law principles thereof.

6.2 Arbitration. Any and all conflicts arising from this Asset Agreement shall be resolved through binding arbitration conducted by and in accordance with the rules and procedures of the American Arbitration Association in San Diego, California.

6.3 Assignment. Neither Party may assign this Asset Agreement and/or the rights and obligations contained herein without the prior written consent of the other Party, which shall not be unreasonably withheld.

6.4 Notices. All notices, and other communications shall be sent by registered airmail with return receipt requested or courier service to their respective offices first above written.

6.5. Entire Agreement. This Asset Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, oral and written, between the parties hereto with respect to the subject matter hereto.

IN WITNESS WHEREOF, each of the parties have caused this Asset Agreement to be signed by its duly authorized officers on the day and year first above written.

SEE:

SANYO E&E Corporation

By: K. T. Gabe

Title: President

STS:

SOLAR TRACKING SKYLIGHTS, INC.

By: [Signature]

Title: President

SUPPLEMENTARY AGREEMENT

In supplement to and as an integral part of the ASSET PURCHASE AGREEMENT duly executed on June 20, 2005 (hereinafter referred to as the "AGREEMENT") by and between SANYO E&E Corporation (hereinafter referred to as "SANYO") and SOLAR TRACKING SKYLIGHTS, INC. (hereinafter referred to as "STS"), SANYO and STS hereby agree and confirm as follows:

- 1.00 Both Parties agree and confirm that Purchased Assets provided in Article II under the AGREEMENT shall include the Patents defined in Article 1.1. Accordingly, SANYO have agreed to assign Patents to STS in accordance with the provisions of Article II in the AGREEMENT.
- 2.00 Both Parties agree and confirm that the Patent defined in Article 1.1 shall include UP Patent 6,827,445 as well as UP Patent 6,433,932, 6,493,145 and 6,801,361. Accordingly, SANYO agrees to assign US Patent 6,827,445 as well as the other Patents.
- 3.00 Unless otherwise defined in this SUPPLEMENTARY AGREEMENT, the terms expressed in capital herein shall have the respective meanings as defined in each of the Article in the AGREEMENT.
- 4.00 This SUPPLEMENTARY AGREEMENT shall come into force and be effective from the 20 day of JUNE, 2005
- 5.00 Any and all terms and conditions in the AGREEMENT except for the above paragraphs will remain unchanged.

On the 20 day of JUNE, 2005

SANYO E&E Corporation

[Signature]

By:

Title: VP. Sales & marketing

SOLAR TRACKING SKYLIGHTS, INC.

[Signature]

By:

Title: COO