

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	LICENSE		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Candle Acquisition Co.		03/14/2006	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	Starlume, Inc.		
Street Address:	2000 West 94th Street		
City:	Bloomington		
State/Country:	MINNESOTA		
Postal Code:	55431		
Entity Type:	CORPORATION: DELAWARE		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	2291811	ILLUME	
Registration Number:	2906293	ILLUME	
CORRESPONDENCE DATA			
Fax Number:	(415)772-6268		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	(415) 772-6000		
Email:	john.wilson@hellerehrman.com		
Correspondent Name:	John C. Wilson / Heller Ehrman LLP		
Address Line 1:	333 Bush Street		
Address Line 4:	San Francisco, CALIFORNIA 94104		
ATTORNEY DOCKET NUMBER:	20106-0010		
NAME OF SUBMITTER:	John C. Wilson		
Signature:	/John C. Wilson/		
Date:	04/03/2006		

OP \$65.00 2291811

Total Attachments: 10

source=Illume License Agreement#page1.tif
source=Illume License Agreement#page2.tif
source=Illume License Agreement#page3.tif
source=Illume License Agreement#page4.tif
source=Illume License Agreement#page5.tif
source=Illume License Agreement#page6.tif
source=Illume License Agreement#page7.tif
source=Illume License Agreement#page8.tif
source=Illume License Agreement#page9.tif
source=Illume License Agreement#page10.tif

IP LICENSE AGREEMENT

This IP License Agreement (the "Agreement") is dated as of ~~January~~^{March 14}, 2006, by and between Candle Acquisition Co. d/b/a "Illuminations," a Delaware corporation (the "Grantor"), and Starlume, Inc., a Delaware corporation (the "Licensee").

WHEREAS, the Grantor has on the date hereof acquired from the chapter 7 bankruptcy estate of Old Canco, Inc., f/k/a Illuminations.com, Inc. ("Old Illuminations"), and now owns, the trademark ILLUME, the goodwill attendant thereto, and the registrations therefor set forth on Exhibit A (collectively, the "Mark");

WHEREAS, the Licensee acquired the exclusive right to use the Mark in connection with the manufacture, distribution and sale of the goods and services set forth on Exhibit A hereto (collectively, the "Products") pursuant to the "IP License Agreement" (the "Existing License") dated as of March 15, 2002 granted by Old Illuminations and has thereafter continuously so used the Mark. Licensee wishes to continue such use, and the Grantor wishes to grant such right, upon the terms set forth herein, which will supersede and replace the Existing License;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Grantor and the Licensee agree as follows:

1. Grant of Rights

1.1 Grantor hereby grants to Licensee a worldwide, exclusive, royalty-free license to use the Mark in connection with the Products.

1.2 This Agreement supersedes and replaces the Existing License as of the date of this Agreement.

2. Term

2.1 The term of the license granted herein (the "Term") shall commence as of the date of this Agreement and shall continue in perpetuity, unless sooner terminated pursuant to the terms of this Agreement.

3. Quality Control

3.1 Licensee understands and agrees that it is an essential condition of this Agreement to protect the high reputation and good will associated with the Mark and that the Products manufactured and sold in connection therewith shall be of high and consistent quality, subject to the approval and continuing supervision and control of Grantor to ensure that Licensee will manufacture all Products in accordance with

Grantor's Manufacturing and Product Development Procedures Manual dated as of September 27, 2001.

3.2 Duly authorized representative of Grantor shall have the right at all reasonable times during the Term of this Agreement to enter the premises of Licensee for purposes of inspecting the facilities and assuring that appropriate quality control standards of Grantor are being maintained. In addition, from time to time, upon request, the Licensee shall provide the Grantor with a production sample unit of each Product for inspection to assure that the quality standards are being maintained.

3.3 If at any time Grantor deems the quality of the Products to be below the standards of quality required under this Agreement, Grantor may so notify Licensee in writing, and Licensee will immediately bring such sub-standard Products up to the quality standards required by this Agreement. Grantor's right to oversee the quality of the Products shall not in any way replace, supersede, or substitute for the quality control required to be exercised by Licensee hereunder. The exercise of any action of quality control by Grantor shall be for its sole and exclusive benefit. Grantor shall not be responsible to Licensee or any other person or entity for any liability arising out of the exercise or failure to exercise quality control.

4. Compliance With Laws

4.1 Licensee will manufacture the Products in compliance with all applicable federal, state and local laws or regulations to which Licensee is subject, except that Licensee shall not be liable to Grantor for any violation of such laws or regulations if arising from the adherence by Licensee to the instructions of Grantor.

5. Insurance

5.1 Licensee will carry and maintain in effect, during the Term and for a period of not less than five (5) years following the end of the Term, commercial general liability and products liability insurance with limits of liability not less than, and upon policy terms and conditions at least as favorable to the insured as those provided in, the policies in effect prior to the date of the Old License under which the Factories were covered. Such insurance coverage shall be provided under policies written by insurance carriers with Best's ratings at least as good as those of the carriers issuing the insurance policies under which the Factories were so covered, and Grantor and its designees shall be named as "additional insured" on each policy for such insurance coverage. Certificates of insurance for such coverage shall be delivered to Grantor within twenty (20) days after the date of this Agreement, and renewal certificates shall be delivered to Grantor not less than thirty (30) days prior to the expiration of the term of each such policy.

6. Not a Partnership

6.1 This Agreement is not intended to create, and shall not be construed to create, a joint venture, a partnership, or any other similar relationship between the parties, nor shall this Agreement be construed to create any rights in any third parties. This Agreement shall not be construed as constituting either party as an agent of the other party for any purpose whatsoever. Neither party is granted any right or authority to assume or create any obligations or responsibility, express or implied, on behalf of the other party or to bind such other party in any manner or thing whatsoever. Each party hereto shall conduct its own business at its own risk and expense and for its own account in the status of an independent contractor.

7. Ownership and Maintenance of Mark

7.1 The Licensee acknowledges that the Grantor has valuable property rights in the Mark, and the license granted hereunder is granted in reliance on the Licensee's representation and covenant that such valuable rights belong exclusively to Grantor. All use of the Mark by the Licensee shall inure to the benefit of the Grantor, and the Licensee shall not at any time acquire or claim any right, title or interest to the Mark, that the Licensee is authorized to use by virtue of this Agreement. Any right, title, goodwill or interest in any such trademark, that may come into existence during the Term in connection with the Mark shall immediately and automatically vest in the Grantor.

7.2 The Licensee shall follow such instructions that the Grantor may provide from time to time with respect to trademark notices and, as the Grantor instructs, shall include the claimed trademark symbol ("TM") or the registration symbol ("®"), as applicable, on the Products.

7.3 All registrations of the Mark shall be made solely in the name of the Grantor, and the Licensee shall not file, or seek to obtain, any such registration in its own name. In the event Grantor fails to maintain the registrations, Licensee may execute and file all necessary documents to maintain the registrations on behalf of grantor, at Licensee's expense. In the event that any such registration is obtained by the Licensee, it shall be deemed obtained for the benefit, and on behalf, of the Grantor.

7.4 Licensee acknowledges that a timely Combined Declaration of Use and Incontestability has been filed with the U.S. Patent and Trademark Office with respect to the registration of the Mark, but that no notice of acceptance has been received as of the date of this Agreement. Grantor does not represent, warrant or covenant that a notice of acceptance will be received after the date hereof and shall have no liability to Licensee in the event a notice of acceptance is not received.

8. Infringement

8.1 Licensee agrees to assist Grantor in the protection of Grantor's rights in and to the Mark. Licensee shall immediately notify Grantor of any claims, demands or causes of action against Licensee with respect to the Mark. Licensee shall promptly notify Grantor of any acts of infringement, misappropriation or unfair competition by others regarding the Mark of which it becomes aware. Grantor shall have the sole right to determine whether or not to take any action on account of any such acts of infringement, misappropriation or unfair competition. Licensee shall not institute suit or take any action on account of any such acts without first obtaining the written consent of Grantor to do so, which consent shall not be unreasonably withheld. Licensee agrees that it is not entitled to share any proceeds received by Grantor, by settlement or otherwise, in connection with any formal or informal action brought by Grantor. The defense, settlement and handling of such action shall be determined by Grantor in its sole discretion.

9. Reserved Rights

9.1 Licensee acknowledges that the Mark and all rights therein, are the sole and exclusive property of the Grantor, its successors and assigns. All rights in the Mark not expressly granted to the Licensee hereunder are reserved by and shall remain the Grantor's exclusive property.

10. Early Termination

10.1 Each party shall have the right, but not the obligation, to terminate the license and the rights and obligations provided hereunder if the other party is in material breach of any of its obligations or representations hereunder and fails to cure such breach within thirty (30) days of receipt of written notice thereof or, in the case of a breach not susceptible of cure within thirty (30) days, such longer period as may be reasonably required to cure the breach, or if a petition in bankruptcy is filed by or against the other party, or if the other party's business is liquidated or otherwise terminated.

10.2 Grantor shall have the right, but not the obligation, to terminate the license and the rights and obligations provided hereunder if the Licensee and its affiliates cease to use the Mark for a period in excess of thirty (30) days.

11. Remaining Inventory

11.1 Upon the expiration of the Term, the Licensee shall have the non-exclusive right, unless it is in material breach of its obligations hereunder, to dispose of its unsold inventory of Products for a period of six (6) months following the expiration of the Term. At the written request of the Grantor, the Licensee shall render an itemized statement of remaining inventory at the end of the Term, which statement shall be furnished to the

Grantor within thirty (30) business days of request and shall be certified by an authorized officer of the Licensee. The Licensee shall not manufacture or authorize the manufacture of units of the Products in excess of the amount required to meet reasonably anticipated demand during the remaining period of the Term.

11.2 Notwithstanding the foregoing, at any time following the expiration or early termination of the Term, as the case may be, the Grantor shall have the right (but not the obligation) to purchase from the Licensee some or all of the Licensee's remaining inventory of Products at the Licensee's most favorable wholesale price.

12. Reversion of Rights

12.1 Upon the expiration or early termination of the Term, all rights granted hereunder shall immediately revert to the Grantor, and the Licensee shall have no further right to manufacture, market and/or distribute Products (except to sell off existing inventory pursuant to the preceding Section).

13. Option to Purchase

13.1 In the event that Grantor ceases to use its ILLUMINATIONS mark, Licensee has the option (exercisable by written notice given within six (6) months of receipt of notice of such cessation or intended cessation) to purchase the Mark for Fifty Thousand Dollars (\$50,000.00).

14. Third-Party Manufacturers & Distributors

14.1 Upon request, Licensee shall promptly advise the Grantor as to the identity and address of each third-party manufacturer that is engaged to manufacture any of the Products on the Licensee's behalf and each distributor that the Licensee engages to distribute any of the Products.

15. Warranties & Indemnification

15.1 The Grantor represents and warrants to the Licensee that: (a) the Grantor has the full power and authority to enter into and perform this Agreement; (b) the Grantor has the right to grant the licenses herein granted; (c) such grant does not conflict with any other agreement to which the Grantor is a party or violate any right of any third party; and (d) the Mark does not infringe the trademark or any right of any person.

15.2 The Licensee represents and warrants to the Grantor that (a) Licensee has the full power and authority to enter into and perform this Agreement, and (b) provided that the Grantor's representations and warranties in Section 15.1 shall be accurate and fully performed, no use by the Licensee (or its affiliates, agents, employees, principals and representatives) of the Products, shall violate any right of any person or any provision of this Agreement, or injure any person.

15.3 With respect to any breach by either party of its representations and warranties hereunder, the breaching party shall indemnify and hold harmless the other party against any loss or damage, including reasonable attorneys' fees, incurred by reason of said breach.

16. Sublicense

16.1 The Mark may not be sublicensed by Licensee without the prior written consent of the Grantor, which consent shall not be unreasonably withheld. Any attempt by Licensee to grant a sublicense without such consent shall be null and void and shall constitute a material breach of this Agreement.

17. Assignment of Related Entities

17.1 Grantor or Licensee may, at any time, without the consent of the other party, but with notice to the other party of such assignment, assign its rights and obligations hereunder to a related entity, but shall remain liable therefor. For purposes of this Section 17.1, the term "related entity" shall mean any corporation, partnership or joint venture which is 50% or more owned by Grantor or Licensee as the case may be. Except as provided in this Section 17.1, Licensee and Grantor hereby agree not to assign their rights or obligations hereunder without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld.

17.2 All of the terms and provisions of this Agreement shall be binding upon, and shall inure to the benefit of, the successors in interest or the assigns of the parties hereto with the same effect as if mentioned in each instance where the party hereto is named or referred to, except that no assignment, transfer, pledge or mortgage in violation of the provisions of this Agreement shall invest any rights in any assignee, transferee, pledge or mortgagee.

18. Miscellaneous

18.1 Force Majeure. Neither party hereto shall be deemed to be in default under this Agreement because of delays or inability to perform occasioned by war, civil disturbance, strikes, boycotts, lock-outs, shortages, transportation and communications problems, natural calamities such as fire, flood, earthquake or storm, acts of God, governmental regulations or actions, inability to obtain labor or materials from usual sources of supply, or other matters beyond the parties' control (a "Force Majeure Event"). The party affected by any Force Majeure Event shall advise the other of the extent and probable duration and coordinate efforts to minimize impact of the Force Majeure Event on both parties. Grantor or Licensee, as the case may be, shall, upon cessation of the Force Majeure Event, take all reasonable steps within its power to resume with the least possible delay compliance with the obligations contained in this Agreement.

18.2 Headings. Section and Article headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any purpose.

18.3 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail, telex or facsimile, (c) three (3) business days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent as follows:

To Grantor: President
Candle Acquisition Co.
d/b/a "Illuminations"
1995 South McDowell
Petaluma, CA 94954
Facsimile: (707) 776-2097

with a required copy to: DLA Piper Rudnick Gray Cary US LLP
333 Market Street, Suite 3200
San Francisco, CA 94105-2150
Attn: Robb A. Scott, Esq.
Facsimile: (415) 442-0856

To Licensee: Chief Executive Officer
Starlume, Inc.
2000 West 94th Street
Bloomington, MN 55431
Facsimile: (952) 885-2776

with a required copy to: Heller Ehrman LLP
333 Bush Street
San Francisco, CA 94104
Attn: Beth M. Goldman, Esq.
Facsimile: (415) 772 6268

or to such other address as the person to whom notice is to be given may have specified in a notice duly given to the sender as provided herein.

18.4 Expenses. Unless otherwise expressly provided herein, each of the parties hereto shall bear the expenses incurred by that party incident to this Agreement and the transactions contemplated hereby, including without limitation all fees and disbursements of counsel and accountants obtained by such party.

18.5 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California without regard to choice of law principles.

18.6 Entire Agreement and Amendment. This Agreement represents the only agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations and agreements made by the parties and their affiliates with respect to the subject matter hercof (other than any written agreements and other documents entered into or delivered by the parties and their affiliates contemporaneously with this Agreement). This Agreement may be amended, supplemented or changed, and any provision hereof waived only be a written instrument making specific reference to this Agreement signed by the party against whom enforcement of any such amendment, supplement, change or waiver is sought. Waiver by either party of any breach or default hereunder by the other party shall not operate as a waiver of any other breach or default whether similar to or different from the breach or default waived.

18.7 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement, binding upon the parties hereto, notwithstanding that both parties are not signatories to the original or the same counterpart.

18.8 Miscellaneous Construction Provisions. In the event any provision of this Agreement is found to be unenforceable or invalid, such provision shall be severable from this Agreement if it is capable of being identified with and apportioned to reciprocal consideration or to the extent that it is a provision which is not essential and the absence of which would not have prevented the parties from entering into this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the date first above written.

CANDLE ACQUISITION CO. d/b/a/ "Illuminations"

By: Brian Falls
President

STARLUME, INC.

By: _____
Chief Executive Officer

18.5 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California without regard to choice of law principles.

18.6 Entire Agreement and Amendment. This Agreement represents the only agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations and agreements made by the parties and their affiliates with respect to the subject matter hereof (other than any written agreements and other documents entered into or delivered by the parties and their affiliates contemporaneously with this Agreement). This Agreement may be amended, supplemented or changed, and any provision hereof waived only by a written instrument making specific reference to this Agreement signed by the party against whom enforcement of any such amendment, supplement, change or waiver is sought. Waiver by either party of any breach or default hereunder by the other party shall not operate as a waiver of any other breach or default whether similar to or different from the breach or default waived.

18.7 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement, binding upon the parties hereto, notwithstanding that both parties are not signatories to the original or the same counterpart.

18.8 Miscellaneous Construction Provisions. In the event any provision of this Agreement is found to be unenforceable or invalid, such provision shall be severable from this Agreement if it is capable of being identified with and apportioned to reciprocal consideration or to the extent that it is a provision which is not essential and the absence of which would not have prevented the parties from entering into this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the date first above written.

CANDLE ACQUISITION CO. d/b/a/ "Illuminations"

By: _____
President

STARLUME, INC.

By: Charles A. Gray
~~Chief Executive Officer~~
Chairman

Exhibit A

Mark	Country Status	Class	Filed	App. #.	Reg. No. Reg. Date	Goods/Services
ILLUME	Canada Registered	N/A	12/05/2000	1085169	TMA579808 04/24/2003	-Candles -Candle and incense accessories, namely, candle and incense holders, candle rings, candle sticks and candle snuffers; -Candle and incense accessories, namely, candle and incense holders, candle rings, candle sticks and candle snuffers not of precious metal; -Retail shop sales, mail order sales and wholesale distribution sales featuring candles and candle accessories
ILLUME	UK Registered	4, 21, 35	12/08/2000	2255311	2255311 12/07/2001	4- Illuminants; lanterns; oil lamps; candles and wicks 21- Holders and stands for lamps, lanterns and candles 35- The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a retail illuminant accessories store, from a general merchandise web site and catalogue by mail order or by means of telecommunications.
ILLUME	USA Registered	4, 21, 35	10/16/1995	75/007,053	2291811 11/16/1999	4- Candles 21- Candle and incense accessories, namely, candle and incense holders, candle rings, candle sticks and candle snuffers not of precious metal 35- Retail shop sales, mail order sales and wholesale distribution sales featuring candles and candle accessories
ILLUME	USA Registered	3	05/09/2003	78/248,092	2906293 11/30/2004	Personal care products, namely, shower and bath gel, hand and body and face lotion, hand and body and face soap, and bath salts.