

Exhibit B: Cover Letter from Agent

FCC ID: QYT-4120

NORTHWEST EMC, INC.

22975 NW Evergreen Parkway, Suite 400
Hillsboro, OR 97124

August 5, 2003

Dear Application Examiner:

On behalf of IDMicro, Northwest EMC Inc is submitting this application for the certification of IDMicro's 4120 Interrogator transmitter, FCC ID: QYT-4120. It operates from 2403.4 – 2480.2 MHz (center frequency to center frequency), with a peak conducted output power of 631 mW. It is a hybrid spread spectrum transmitter that utilizes both frequency hopping and direct sequence modulation techniques. It will be used as the interrogator for an RF ID tag system.

Please note that this is the exact same device that was previously certified by Micron Communications Inc (FCC ID: LC6-4120, original grant date 6/16/1998). Micron licensed this device to IDMicro (see attachment) who is now seeking authorization using the same technical exhibits provided with the original Micron filing. Because of the age of the Micron application, the FCC no longer has records to access, so a change of FCC ID per 2.933(b) was not possible. (see attached email thread with the FCC). Every effort has been made to provide the original filings and Class II filings that were made by Micron, plus the new FCC ID label, user manual, and photos for this application. All the items required per 2.1033 have been provided.

The technical reports and exhibits demonstrate compliance with FCC rules 47 CFR 15.247 and FCC 97-114.

Your efforts in reviewing this application are greatly appreciated.

Best regards,

A handwritten signature in blue ink, appearing to read "G. Kiemel", with a stylized flourish at the end.

Greg Kiemel, Director of Engineering
Northwest EMC, Inc.

EMAIL THREAD with FCC to Determine Authorization Process

Return-Path: <RFABINA@fcc.gov>
Date: Fri, 11 Jul 2003 17:37:00 -0400
From: "Rich Fabina" <RFABINA@fcc.gov>
To: <gkiemel@nwemc.com>

You could have answered this question yourself by going to our Website to see if there are exhibits left to refer to.

Unfortunate there are none there. Your client seems to be caught between a rock and a hard place.

We have no records to refer to so you cannot issue a grant without a new authorization that requires all information listed in Section 2.1033 of the FCC Rules.

Sorry I'm not much help.

Rich

>>> Greg Kiemel 07/10/03 12:15PM >>>
Rich,

The subject application is FCC ID: LC6-4120. It was originally granted on 06/16/1998. Per item #2 in your email below, do you still have records left to reference?

If not, then it is my understanding from your email that an original application must be filed, including the information the applicant is not able to produce (schematics, frequency block diagram, and operational description). In which case, we would not be able to grant certification.

If you do have records left to reference, then it is my understanding from your email that the application may be handled by a TCB as a change in FCC ID number. We need to reference Section 2.933(b) of the FCC Rules for the info required. In addition the 2.933(b) info, the applicant will need a photo or drawing of the new FCC ID label.

I appreciate your help with this matter. Thank you for the clarification.

Best regards,

Greg Kiemel
Northwest EMC, Inc.

At 04:59 PM 7/2/2003 -0400, you wrote:

>Greg,

>

>This application may be handled by a TCB as a change in FCC ID number with the

>following two exceptions:

>(1) If the grant for the original Micron device was issued before August 1,

>1996, you will have to submit evidence of compliance with the RF safety limits
>in addition to the info required by 2.933(b) of the Rules. If this is the
>case, the current TCB exclusion list will tell you if a TCB can do this
>application or not.
>(2) If the grant is older than 5 years, we have no records left to reference
>for the grant of a similar device. If this is the case, an original
>application must be filed. This will require everything listed in Section
>2.1033(b) of the Rules for a new FCC ID. See the current TCB exclusion list
>to see if a TCB can grant this application.
>
>If a change in FCC ID may be filed despite the above conditions, see Section
>2.933(b) of the FCC Rules for the info required. In addition the 2.933(b)
>info, you will need a photo or drawing of the FCC ID label for this new
>device.
>
>I trust that this has responded to this inquiry.
>
>Rich Fabina
>
>
> >>> Greg Kiemel 07/01/03 01:13PM >>>
>Rich,
>
>An applicant is seeking FCC certification of a RFID tag interrogator that
>was previously certified by Micron Communications, Inc. Micron
>Communications no longer manufactures the device but has licensed the
>product to the applicant.
>
>In lieu of the required schematics, frequency block diagram, and
>operational description exhibits, the applicant submitted a copy of their
>Technology License Agreement with Micron. Apparently, Micron
>Communications was a subsidiary that no longer exists. According to the
>applicant, there is no way to get the schematics, frequency block diagram,
>and operational description from Micron. They can only show the license
>agreement as evidence that the product is the same as the one originally
>granted to Micron Communications.
>
>As a TCB, can we accept this License Agreement in lieu of the schematics,
>frequency block diagram, and operational description exhibits? Would you
>rather we direct the applicant to file this application with the

>FCC? Thank you for your attention to this matter.

>

>Best regards,

>

>Greg Kiemel, Director of Engineering

>Northwest EMC, Inc.

>22975 NW Evergreen Pkwy., #400

>Hillsboro, Oregon 97124

>

>Main: 888-364-2378

>Fax: 503-844-3826

> www.nwemc.com

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>Direct: 503-943-3126

>Email: gkiemel@nwemc.com

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CONSENT TO ASSIGNMENT

THIS CONSENT is made and entered into this 17th day of September, 1999, by and between MICRON COMMUNICATIONS, INC., an Idaho corporation (hereinafter referred to as "Micron"), and IDmicro, LLC, a Washington limited liability company who has been granted a license by Micron pursuant to a Technology License Agreement (hereinafter referred to as "Licensee"). For and in consideration of the following benefits, it is hereby agreed as follows:

1. Prior Agreement: The parties hereto have entered into a Technology License Agreement dated August 31, 1999, (the "Agreement" herein). Pursuant to the terms of Section 9.6 of the Agreement, Licensee is prohibited from assigning any of its rights, interests or obligations under the Agreement without the prior written consent of Micron.

2. Formation of Licensee: Licensee has previously been formed as a Washington limited liability company. Licensee has determined that it may now be in its best business interests to convert to an entity organized as a corporation pursuant to Washington law.

3. Consent to Assignment: Micron does hereby consent to Licensee's assignment of all of its rights, interests and obligations under the Agreement to a successor entity organized as a corporation under Washington law. For purposes of this Assignment, the term "successor entity" shall be defined as a corporation formed under Washington law wherein the identity of the corporation's shareholders as of the effective date of its organization is identical to the identity of the limited liability company's members as of that same date; provided, however, that nothing herein shall restrict or prohibit the corporate entity to change or alter shareholder interests, or the rights and interests of shareholders, after formation of the corporate entity.

IN WITNESS WHEREOF, the parties hereto have executed this Consent as of the day and year first written above.

MICRON COMMUNICATIONS, INC.

IDmicro, LLC

By [Signature]
Its President

By Robert W. Allen
Its Manager

TECHNOLOGY LICENSE AGREEMENT

THIS TECHNOLOGY LICENSE AGREEMENT (this "Agreement") is effective as of August 31, 1999 (the "Effective Date") by and between **MICRON COMMUNICATIONS, INC.**, an Idaho corporation, with offices located at 3176 South Denver Way, Boise, Idaho 83705 ("Micron") and **Idmicro, L.L.C.**, a Washington limited liability corporation with offices at 1019 Pacific Avenue, 13th Floor, Tacoma, Washington 98402 ("Licensee").

WHEREAS, Micron is the owner of certain Technology Rights, as hereinafter defined, which were developed by and/or acquired by Micron;

WHEREAS, Licensee desires to acquire the right to develop, manufacture and sell RFID devices comprised in part of the Technology Rights pursuant to the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the parties agree as follows:

1. DEFINITIONS

1.1 "Affiliate" of a party shall mean any person, partnership, corporation or other entity in which such party directly or indirectly owns or controls more than a 50% ownership interest.

1.2 "Licensed Product" shall mean any product, the manufacture, use, sale, import or offer for sale of which by or on behalf of Licensee would either: (i) but for the licenses granted in this Agreement, infringe any of the Technology Rights; or (ii) disclose or otherwise utilize any of the Technology Rights.

1.3 "MicroStamp Device" shall mean any radio frequency communication device developed, manufactured and/or sold by or on behalf of Micron prior to the date of this Agreement under the "MicroStamp" trademark, including without limitation any such interrogator, transponder, integrated circuit or similar device.

1.4 "Net Sales" shall mean the gross proceeds actually received by Licensee and/or its Affiliate(s) with respect to sales of Licensed Product to third parties (excluding sales by Licensee or its Affiliate(s) to Licensee or its Affiliate(s) other than for end use), less: (i) freight, packaging, handling or other shipment expenses; (ii) sales, use, value-added, excise and other taxes; (iii) insurance; (iv) customs duties and other governmental charges; (v) cash, trade or quantity discounts; and (vi) returns, credits or replacements.

1.5 "Technology Rights" shall mean Micron's rights in (i) any information, know-how, technology, process, procedure, composition, device, method, formula, protocol, technique, software, design, drawing or data existing on the date hereof and

relating to the manufacture or use of any MicroStamp Device, expressly including, without limitation, the copyrighted communication protocol used by any MicroStamp Device or any derivative work of such communication protocol, and (ii) any information or discoveries covered by patents and/or patent applications whether domestic or foreign, and all divisions, continuations-in-part, reissues, reexaminations or extensions thereof, and any letters patent that issue thereon, which relate to the manufacture, use or sale of any MicroStamp Device. The Technology Rights shall not include any right of Micron in or to any trademark.

2. LICENSE

2.1 Micron hereby grants to Licensee a royalty-bearing, non-exclusive, non-transferable license under the Technology Rights (without right to sublicense) to make, have made, use, market, distribute, export, sell, offer for sale or otherwise dispose of Licensed Products; provided, however, that Licensee's "have made" rights granted herein shall be conditioned upon the third party manufacturer: (i) using Licensee's design, specifications and/or other working drawings as developed by or for Licensee, or extracted or derived from the Technology Rights; and (ii) marking such Licensed Products under Licensee's trademarks and/or tradenames as specified by Licensee.

2.2 Licensee shall have the right to extend the license granted herein to any Affiliate provided that such Affiliate consents to be bound by this Agreement to the same extent as Licensee.

3. ROYALTIES

3.1 With respect to sales by Licensee of Licensed Product, Licensee shall pay to Micron a royalty of five percent (5%) of Net Sales.

3.2 The royalties payable under this Agreement shall be due and payable thirty (30) days after the end of each calendar quarter for Net Sales received during such calendar quarter. A written statement shall be submitted with each royalty payment setting forth the total amount of Net Sales made and sold hereunder during the preceding quarter and the royalties due thereon. All monies due hereunder shall be paid in United States dollars. Computation of the amount of currency equivalent to United States dollars shall be made at the rate of exchange published in the Wall Street Journal on the last business day of the quarter in which the royalty was earned.

3.3 Licensee shall keep complete, true and accurate records for the purpose of showing the derivation of all royalties payable under this Agreement. Licensee shall maintain such records for a period of at least four (4) years following the end of the calendar year to which they pertain. Micron shall have the right to inspect such records upon five business days' prior written notice, during Licensee's regular business hours, for the purpose of verifying such quarterly statements. Micron shall bear the expenses of any such inspection unless the inspection reveals that less than ninety percent (90%) of the royalties due hereunder were reported for the period being inspected, in which case, in

addition to Micron's other remedies therefor, Licensee shall reimburse Micron for the expenses of such inspection.

4. TECHNICAL INFORMATION

4.1 Within 30 days after the Effective Date, Micron shall provide Licensee with the technical information listed on Exhibit A, which is attached hereto and made a part hereof, to the extent that such information is readily available to Micron in electronic or written form and has not previously been delivered to Licensee (hereinafter collectively referred to as the "Technical Information"). Licensee acknowledges that THE TECHNICAL INFORMATION PROVIDED PURSUANT TO THIS AGREEMENT IS PROVIDED AS IS AND WITHOUT WARRANTY OF ANY KIND, AND THAT MICRON EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO ANY TECHNICAL INFORMATION. Licensee further acknowledges that Micron is not obligated to provide any technical support in connection with the Technical Information provided or the rights granted pursuant to this Agreement.

5. REPRESENTATIONS AND WARRANTIES

5.1 MICRON MAKES NO WARRANTY OR REPRESENTATION THAT THE UTILIZATION OF INFORMATION RECEIVED FROM MICRON WILL NOT INFRINGE PATENTS OR OTHER RIGHTS OWNED BY ANY THIRD PARTY. IN ADDITION, MICRON MAKES NO WARRANTY OR REPRESENTATION AS TO THE VALIDITY OR SCOPE OF ANY PATENT UNDER WHICH A LICENSE IS GRANTED.

5.2 Nothing in this Agreement shall be construed as: (i) a requirement that any party shall file any patent application, secure any patent, or maintain any patent in force; or (ii) an obligation to bring or prosecute actions or suits against third parties for infringement of any patent or other right; or (iii) a grant by any party by implication, estoppel, or otherwise, of any license or other right under patents of the other party other than the Technology Rights. Except as otherwise provided in this Agreement, THE RIGHTS GRANTED HEREIN ARE PROVIDED AS IS, AND NO PARTY MAKES ANY REPRESENTATIONS OR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR OF MERCHANTABILITY OR OTHERWISE, OR ASSUMES ANY RESPONSIBILITIES WHATSOEVER WITH RESPECT TO THE MANUFACTURE, USE, SALE, OR OTHER DISPOSITION BY ANY OTHER PARTY OR ITS CUSTOMERS OF PRODUCTS INCORPORATING OR MADE BY USE OF ANY INFORMATION, INCLUDING TECHNICAL INFORMATION LICENSED UNDER THIS AGREEMENT.

6. LIMITATION OF LIABILITY

6.1 NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY FOR ANY INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS, LOST GOODWILL, AND LOSS OF USE) SUSTAINED OR INCURRED BY ANY ENTITY IN CONNECTION WITH THIS AGREEMENT.

7. CONFIDENTIALITY

7.1 Licensee shall not copy, reproduce, disclose, or disseminate, in whole or in part, in public or in private, any Confidential Information of Micron acquired during the term of this Agreement; provided, however, that Licensee may disclose Confidential Information to third parties as necessary to allow Licensee to perform in accordance with this Agreement so long as each such disclosure is pursuant to a confidentiality agreement signed by such third party that includes Micron as a third party beneficiary and restricts such third party from copying, reproducing, disclosing or disseminating such Confidential Information on terms consistent with those contained in this Agreement. "Confidential Information" shall mean all information marked to indicate it is confidential at the time of disclosure if the Confidential Information is in writing, or verbally indicated to be confidential at the time of disclosure and thereafter summarized and marked to indicate it is confidential in a written memorandum delivered to Licensee within thirty (30) days of disclosure if the Confidential Information is disclosed in any manner other than in writing. Confidential Information shall not include any information which: (i) was known or developed by Licensee independently prior to the disclosure by Micron; (ii) is or becomes available to the public through no breach of this Agreement; (iii) is lawfully obtained from a third party without any restriction and without any breach of this Agreement or any other agreement; (iv) is disclosed, exchanged or transmitted after the expiration or termination of this Agreement; or (v) is required by law to be disclosed in response to a valid order of a court of competent jurisdiction or authorized government agency, provided Micron receives adequate notice to allow it to request a protective order and Licensee reasonably cooperates with Micron's efforts to receive a protective order.

7.2 Licensee agrees that it will handle the Confidential Information of Micron and protect it from unauthorized use, dissemination, or disclosure during and after the term of this Agreement with the same degree of care that it uses to handle and protect its own Confidential Information, but will use no less than a reasonable degree of care. Licensee will neither use nor allow others to use any of the Confidential Information of Micron for any purpose or in any instance other than as provided within this Agreement or as specifically approved in writing in advance by an officer of Micron. All Confidential Information provided to Licensee shall immediately be returned to Micron when so instructed by Micron or upon the expiration or termination of this Agreement, except that Licensee may retain in the office of its legal counsel one copy of the copied Confidential Information for record purposes only.

8. TERM AND TERMINATION

8.1 This Agreement shall be effective for the period beginning on the Effective Date and continuing until the later of (i) ten (10) years after the Effective Date; or (ii) the expiration of the last patent, if any, to expire under the Technology Rights, unless this Agreement is earlier terminated as provided herein.

8.2 Micron may, without prejudice to any other rights or remedies, terminate this Agreement by giving a written notice to Licensee, if any of the following events should occur:

(i) Licensee fails to make any payment to Micron when due under this Agreement and such failure continues for more than fourteen (14) days after receipt of a written notice from Micron specifying the default;

(ii) Licensee fails to perform any other provision of this Agreement, which failure remains uncorrected for more than thirty (30) days after receipt of a written notice from Micron specifying the default;

(iii) Licensee files a petition in bankruptcy, or a petition in bankruptcy is filed against it, or it becomes insolvent, bankrupt, or makes a general assignment for the benefit of creditors, or goes into liquidation or receivership; or

(iv) Licensee ceases or threatens to cease to carry on business or disposes of the whole or any substantial part of its undertakings or its assets except pursuant to a merger or acquisition.

8.3 Upon termination of this Agreement for any cause, nothing herein shall be construed to release either party of any obligation matured prior to the effective date of such termination. Licensee may, after the effective date of such termination, sell all Licensed Product that it may have on hand at the date of termination, provided that it pays earned royalty thereon as provided in this Agreement.

8.4 The provisions herein (such as Sections 3, 5, 6, 7, and 9) that are reasonably necessary to effectuate the express purpose of this Agreement even after the expiration or termination of this Agreement shall survive the expiration or earlier termination of this Agreement until such time that the provisions are no longer necessary to effectuate the purpose and intent of this Agreement.

9. MISCELLANEOUS

9.1 Choice of Law and Forum. The validity, interpretation and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of Idaho and the United States of America, without giving effect to conflict of laws rules. Each party hereto waives personal jurisdiction and submits itself to the jurisdiction

and venue of the state and federal courts of the State of Idaho for the purposes of enforcing any provision of this Agreement.

9.2 Construction. The language in this Agreement shall be construed according to its normal and usual meaning, and not strictly for or against either party to this Agreement, regardless of the party who drafted this Agreement.

9.3 Independent Contractors. The parties shall maintain the relationship of independent contractors for the purpose of fulfilling their obligations under this Agreement. Nothing contained in this Agreement shall be deemed to constitute any party the partner, legal representative, agent, or employee of any other. It is not the intention of the parties to create, nor shall this Agreement be construed to create, any commercial or other partnership. In particular, no party accepts any obligation to disclose any customer or market data to any other. No party, nor any of its employees, shall have any authority to act for or to assume any obligation or responsibility on behalf of any other party.

9.4 Notice. Any notice, communication or statement relating to this Agreement shall be in writing and addressed to the party at the address set forth below or to such other address as a party may specify by notice to the other parties. Such notices and communications shall be effective (i) upon delivery in person; (ii) five days after mailing by certified or registered mail, return receipt requested and postage prepaid; (iii) two business days after depositing with a commercial overnight carrier which provides written verification of delivery; or (iv) upon verified transmittal by facsimile transmission.

To Micron at:

Micron Communications, Inc.
3176 S. Denver Way
Boise, ID 83705
Telephone: (208) 333-7315
Attention: President
Facsimile: (208) 333-7302
Attention: General Counsel
Facsimile: (208) 368-4540

To Licensee at:

Idmicro, L.L.C.
1019 Pacific Avenue, 13th Floor
Tacoma, WA 98402
Telephone: (253) 396-1479
Attention: President
Facsimile: (253) 396-1478

9.5 Modification/Amendment. No modification of, or amendment to, this Agreement shall be effective unless in writing signed by all parties. This Agreement shall not be supplemented or modified by any course of dealing or other trade usage.

9.6 Assignment. Except as otherwise stated in Section 2.2 hereto, no party may assign, transfer, license or sublicense any of its rights or obligations under this Agreement without the prior, written consent of the other party in each instance; provided, however, that Micron may assign this Agreement to its parent company, Micron Technology, Inc., without obtaining such consent. Subject to the foregoing restrictions, this Agreement will bind and benefit the parties and their successors and assigns.

9.7 Waiver. Any waiver of any kind by a party of a breach of this Agreement must be in writing, shall be effective only to the extent set forth in such writing and shall not operate or be construed as a waiver of any subsequent breach. Any delay or omission in exercising any right, power or remedy pursuant to a breach or default by a party shall not impair any right, power or remedy either party may have with respect to a future breach or default.

9.8 Severability. If it is determined by a court of competent jurisdiction as part of a final, nonappealable ruling, government action or binding arbitration that any provision of this Agreement (or part thereof) is invalid, illegal, or otherwise unenforceable in any jurisdiction, such provision shall be enforced in such jurisdiction as nearly as possible in accordance with the stated intention of the parties, while the remainder of this Agreement shall remain in full force and effect and bind the parties according to its terms, and any such determination shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent any provision (or part thereof) cannot be enforced in accordance with the stated intentions of the parties, such provision (or part thereof) shall be deemed not to be a part of this Agreement; provided that in such event the parties shall use their best efforts to negotiate, in good faith, a substitute, valid and enforceable provision which most nearly effects the parties' intent in entering into this Agreement.

9.9 Force Majeure. If the performance of this Agreement or any obligation hereunder is prevented, restricted or interfered with by reason of any cause beyond the reasonable control of the affected party, including without limitation fire, flood, earthquake, explosion or other casualty or accident, strikes or labor disputes, inability to procure or obtain delivery of parts, supplies or power, war or other violence, any law, order, proclamation, regulation, ordinance, demand or requirement of any governmental agency, or any other act or condition, upon giving prompt notice to the other party, the affected party shall be excused from such performance; provided, however, that the party so affected shall take all reasonable steps to avoid or remove such cause of nonperformance and shall resume performance hereunder with dispatch whenever such causes are removed.

9.10 Attorney's Fees. The prevailing party to any litigation or other proceedings arising out of this Agreement shall be entitled to recover its reasonable attorneys' fees and costs from the other party(ies).

9.11 Headings. All headings herein are for convenience only and are in no way to be construed as part of this Agreement or as a limitation of the scope of the particular sections or provisions to which they refer.

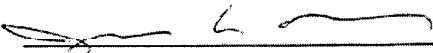
9.12 Contracting Capacity. The undersigned signatories hereto state, warrant, and represent that they: (i) are of sound mind; (ii) are of lawful contracting age; (iii) are duly authorized by their respective company to execute this Agreement and to act on behalf of the company by which they are authorized; (iv) have read and understand the provisions of this Agreement; (v) have executed this Agreement freely and without duress;

and (vi) are not acting upon any representations made by the other party or anyone representing the other party except those representations expressly made herein.

9.13 Entire Agreement. This Agreement, including Exhibit A attached hereto and incorporated herein, sets forth the entire agreement and understanding of the parties with respect to the subject matter hereof and merges all prior understandings (whether written, verbal or implied) with respect thereto.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their duly authorized representatives to be effective on the Effective Date.

MICRON COMMUNICATIONS, INC.

By: 
Name: James E. C. Teale
Title: President
Date: August 31, 1999

IDMICRO, L.L.C.

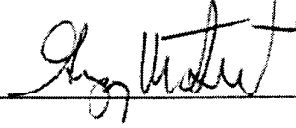
By: 
Name: Gregory M. Stewart
Title: Manager
Date: August 30, 1999

Exhibit A

List of Technical Information

Technology for production of 4120 interrogator, including:

- list of suppliers
- bill of materials
- product manuals

Technology for production of MicroStamp integrated circuits, including:

- schematics
- electronic layout database
- test program
- available documentation

Technology for design of transponders, including

- tag design schematics
- list of suppliers
- bill of materials