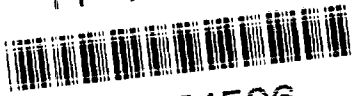


11-10-1998


100874506

Honorable Commissioner of Patents and Trademarks:
Please record the attached original documents or copy thereof

11/4/98

<p>1. Name of conveying party(ies) Les Entreprises Denis Darveau Inc.</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies): Name: A. Pellerin et Fils Ltée.</p> <p>Address: 1700 Principale St-Adrien-de-Ham, Quebec Canada</p>
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<p>3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input checked="" type="checkbox"/> Other <u>Patent License Agreement</u></p> <p>Execution Date: October 23, 1998</p>	<p>Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
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4. Application number(s) or patent number(s):
If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s)	B. Patent No.(s) 5,567,312
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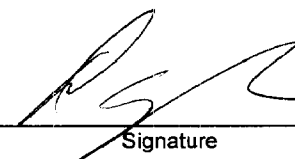
Additional numbers attached? Yes No

<p>5. Name and address of party to whom correspondence concerning document should be mailed: Name: Nikaido, Marmelstein, Murray & Oram LLP Street Address: Metropolitan Square, 655 Fifteenth Street, N.W. Suite 330 - G Street Lobby, Washington, D.C. 20005-5701</p>	<p>6. Total number of applications and patents involved: One</p> <p>7. Total fee (37 CFR 3.41)..... \$ 40.00 <input checked="" type="checkbox"/> Attached is Check # <u>17902</u> <input checked="" type="checkbox"/> Any additional fees are authorized to be charged to Deposit Account</p> <p>8. Deposit account number: 14-1060 (Attach duplicate copy of this page if paying by deposit account)</p>
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DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

11/09/1998 DNGUYEN 00000231 5567312
01 FC 581 40.00 DP
Douglas H. Goldhush
Name of Person Signing
Reg. No. 33,125



Signature
November 4, 1998

Date

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

SCHEDULE 9

PATENT LICENCE AGREEMENT

1. DEFINITIONS

1.1 In this Agreement, except where the context or subject matter is inconsistent therewith, the following terms shall have the following meanings:

1.1.1 Agreement:

“Agreement” shall mean this Appendix to the Convention de Règlement, the annexed schedules to this Appendix, which are incorporated herein, together with any future written and executed amendments agreed to by the Parties.

1.1.2 Invention:

“The Patented Invention” means the invention protected by U.S. patent 5,567,312, granted on the 22nd of October, 1996 as described in Schedule A to this Agreement.

1.1.3 Licensee:

“Licensee” shall mean A. Pellerin et Fils Ltée.

1.1.4 Licensor:

“Licensor” shall mean Les Entreprises Denis Darveau Inc.

1.1.5 Patent

“Patent” shall mean U.S. Patent no. 5,567,312.

1.1.6 Pellerin System

“Pellerin System” shall mean the filtration and recirculation system as described in the Convention de Règlement as the “système Pellerin”.

2. **GRANT OF LICENCE**

2.1 Subject to the terms of this Agreement, the Licensor hereby grants to Licensee, as of January 1, 1999, a personal non-transferable and non-exclusive licence to manufacture, distribute and sell the Pellerin System in the United States for the term as herein defined.

3. **ROYALTY FEES**

3.1 In consideration of the licence granted for the Pellerin System under this Agreement, the Licensee shall pay the Licensor a royalty of three hundred dollars (\$300) (CND) per Pellerin System sold in the United States, directly or indirectly, by the Licensee.

3.2 This royalty shall be pre-paid by the purchase of a plaque from the Licensor at a price of three hundred dollars (\$300) per plaque for each Pellerin System sold in the United States. This plaque, which shall measure 2¼" x 3½", shall state the following: "*Manufactured and sold under licence of U.S. patent 5,567,312*". A plaque must be visibly fixed to each Pellerin System that is manufactured, distributed or sold in the United States.

3.3 Where a Pellerin System has been sold to a user in Canada and such System is eventually resold to a third party in the United States, if such resale is made less than two (2) years following the initial purchase by the Canadian user and this sale is brought to the knowledge of the Licensee or of the Licensor, the three hundred dollars (\$300) (CND) royalty fee referred to in Section 3.1 of this Agreement will be payable by the Licensee to the Licensor. Where the aforementioned resale takes place more than two (2) years following the initial sale to the Canadian user, no royalty shall be payable by the Licensee.

3.4 If, following the 1st of January, 1999, the Licensee or one of its distributors sells or permits the sale of a Pellerin System in the United States, either directly or indirectly, without paying the royalty as prescribed in Section 3.1 of this Agreement, the Licensee will be required to pay royalty of one thousand dollars (\$1,000) (CND) per Pellerin System sold in this manner.

4. **TERM**

4.1 The Licence granted under this Agreement shall be in effect until the earliest of the following events:

(a) the duration of the patent for the Patented Invention (due to expire on the 22nd

of October, 2013);

- (b) upon the Patent being declared invalid by a Court of competent jurisdiction;
- (c) by reason of the termination by either party of the Licence by virtue of an express term of this Agreement; or
- (d) by reason of the other party's failure to comply with any of the material terms and conditions of this Agreement.

5. **DEFAULT**

5.1 Upon any material breach or default under this Agreement by either party, the other party may give notice of such breach or default and, unless the same shall be cured within thirty (30) days after such delivery of such notice, then, without limitation of any other remedy available hereunder, such party may terminate this Agreement forthwith by delivery of a notice of termination to the other party at any time thereafter before such breach or default has been cured.

5.2 Notwithstanding any other term of this Agreement, the following shall be deemed to be a material breach of this Agreement by the Licensee:

- (a) After January 1st, 1999, the Licensee or one of its distributors sells or permits the sale of a Pellerin System in the United States, either directly or indirectly, more than three (3) times without paying the royalty of three hundred dollars (\$300) (CND) as prescribed in section 3.1; or
- (b) The Licensee fails to comply with any of Sections 2, 3, 6 and 7 of this Agreement.

5.3 Notwithstanding any other term of this Agreement, this Agreement shall terminate immediately where the Licensee:

- (a) is the subject of a change in control without the approval of the Licensor whose approval shall not be unreasonably withheld, or
- (b) becomes bankrupt or insolvent;
- (c) makes an assignment for the benefit of its creditors;
- (d) takes the benefit of any statute relating to insolvent debtors; or

(e) where an order is made or a resolution passed for the winding-up of the Licensee.

5.4 Upon any termination of the licence granted hereunder, Licensee shall return to Licensor without refund (or, at Licensor's option, destroy and certify in a declaration under oath from an officer of the Licensee to Licensor that it has destroyed) any unused plaque as described at Section 3.2 above.

5.5 The termination of this Agreement by either parties shall be subject to all other rights and remedies available to the parties hereunder or otherwise.

6. **OWNERSHIP**

6.1 All rights, title and interest in and to the Patented Invention are and shall at all times remain the sole and exclusive property of the Licensor.

6.2 Other than the license granted hereunder, nothing in this Agreement shall in any way transfer or assign any right in the Patented Invention to the Licensee.

6.3 The Licensee shall notify the Licensor immediately if the Licensee becomes aware of any unauthorized use or copy of the Patented Invention and agrees to assist the Licensor, at the Licensor's expense, in taking all steps to protect or defend the Licensor's Patented invention.

6.4 The Licensee shall not use or in any way deal in the Patented Invention except as contemplated herein or in any way that adversely affects the Licensor's intellectual property rights therein.

6.5 The licensee undertakes not to contest the validity of the Patent or to assist a third party in so doing.

6.6 The Licensor agrees to sign any document attesting to the existence of this Agreement and the licence conceded herein as may be required by the U.S. Patent Office.

6.7 The provisions of Section 6 and all of its subsections shall survive the expiry or termination of this Agreement irrespective of the reason for which it was terminated.

7. **ASSIGNMENT**

7.1 Unless stated elsewhere in this Agreement, the Licensee may not assign, licence, or sub-licence any rights, obligations or benefits in this Agreement to any person unless

this has been expressly authorized hereunder or otherwise consented in writing by the Licensor.

8. **LEGAL RELATIONSHIP**

8.1 In giving effect to this Agreement, neither party shall be or be deemed to be an agent or employee of the other for any purpose and their relationship to each other shall be that of independent contractors. Nothing in this Agreement shall constitute a partnership or a joint venture between the parties. Neither party shall have the right to enter into contracts or pledge the credit of or incur expenses or liabilities on behalf of the other.

9. **LIMITATION OF LIABILITY**

9.1 The Licensor's liability for negligence, breach of this Agreement or any other claim in damages shall not exceed the total amount owed to it by the Licensee at the time the claim arises. In no event shall the Licensor have any liability toward the Licensee or any third party for loss (direct or indirect) of profits, loss of business revenue or failure to realize expected savings or business opportunities or for any indirect, special or consequential loss or damages, or any liability to third party, even if advised of the possibility thereof and whether arising from negligence, breach of contract or otherwise. These limitations on the Licensor's liability shall survive the expiry or termination of this Agreement irrespective of the manner or method in which it is terminated.

9.2 Should a claim be brought by a third party against the Licensor concerning any matter related to the Pellerin System or to the Patented Invention, or any other matter referred to in this Agreement, whether or not such claim is made in respect of breach of contract, the Licensee agrees to indemnify the Licensor for all expenses used in defending such claim. These expenses shall include, but are not limited to, attorney's fees, court costs, travel expenses, and any other disbursements.

9.3 The Licensee agrees that it will not contest, dispute or interfere in any way with the Intellectual Property Rights over the Patented Invention held by the Licensor or any assignee or other valid licensee of the Licensor, or assist a third party in so doing.

10. **NOTICE**

10.1 Any notice provided for or permitted in this Agreement shall be in writing and will be

deemed to have been given ten (10) days after having been mailed, postage pre-paid, by certified or registered mail or by recognized overnight delivery services, except in the case of a postal or other strike affecting the service used whereupon notice will be deemed to have been given ten (10) days after normal service resumes.

10.2 Where personal service is made, any notice provided for or permitted in this Agreement will be deemed to have been given when received by the intended recipient. The intended recipient must be an individual whose personal name appears on the address set out in the notice.

10.3 Addressing and delivery is to be made as follows:

10.3.1 If to the Licensor:

LES ENTREPRISES DENIS DARVEAU
201 1^{ère} Avenue
Ham-Nord, Quebec

10.3.2 If to the Licensee:

A. PELLERIN ET FILS LTÉE
1700 Principale
St-Adrien-de-Ham, Quebec

as the case may be.

10.4 The Licensor may communicate other addresses where notices must be sent from time to time. Such communication shall be in writing and shall have the effect of replacing the address under this Section.

11. **WARRANTIES**

11.1 The Licensor neither makes nor grants any other warranties or conditions, express or implied. The express terms of this Agreement are in lieu of the warranties, conditions, terms, undertakings and obligations implied by statute, common law, custom, trade usage, course of dealing or otherwise, all of which are hereby excluded to the fullest extent permitted by law. The Licensor hereby excludes any and all implied warranties or conditions of merchantability, or fitness for any purpose, particular, specific or otherwise to the fullest extent permitted by law.

12. **OTHER PROVISIONS**

- 12.1 This Agreement shall be governed by the laws of Quebec. Both parties agree to be governed by the jurisdiction of the courts of Quebec in the event that any proceeding shall be brought under the terms of this Agreement.
- 12.2 This Agreement shall be binding on the Licensor and the Licensee, their successors and assigns, and on any persons claiming rights under the Patent.
- 12.3 In case of ambiguity, inconsistency or incompatibility between any provision contained in this Agreement and any other provision contained in this Agreement or in the Convention de Règlement, the provision which is more specific shall prevail over the provision which is more general to the extent of any such ambiguity, inconsistency, incompatibility, as the case may be.
- 12.4 Time is of the essence with respect to each provision of this Agreement.
- 12.5 If any action is required to be taken pursuant to this Agreement on or by a specified date which is not a Business Day, then such action shall be valid if taken on or by the next succeeding Business Day.
- 12.6 All references to money in this Agreement refer to Canadian dollars.
- 12.7 Any sum of money payable under this Agreement must be paid in cash, by bank draft in Canadian dollars from a Canadian chartered bank, or by cheque or other negotiable instrument payable in Canadian dollars drawn on an account held at a Canadian chartered bank, trust company or credit union.
- 12.8 This Agreement may not be modified except in writing by both parties. The terms of this Agreement supersede any past communication, whether oral or in writing between the parties.
- 12.9 Any Schedules to this Agreement constitute terms of this Agreement unless express provision is made otherwise. All headings and numbering in this Agreement constitute terms of this Agreement.
- 12.10 Lowercase, upper case and capitalized words in this Agreement are interchangeable. No special significance shall be granted to a word based on its use of upper or lower cased lettering.
- 12.11 Should any Section or term contained in this Agreement be declared invalid by a court of law, it shall be severed from this Agreement without affecting any other terms which will continue to remain in full force.

12.12 This Agreement has been drawn up in the English language at specific request of the parties hereto. Cette convention a été rédigée en langue anglaise à la demande expresse des parties aux présentes.

IN WITNESS THEREOF, the parties have executed this contract as of the date last written below.

LES ENTREPRISES DENIS DARVEAU INC.

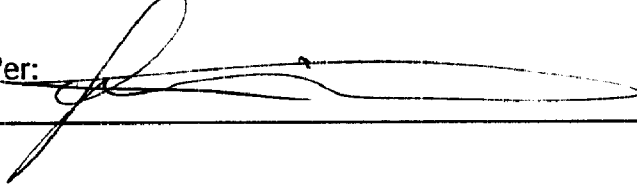
Per: 

NAME: Denis Darveau

TITLE: Pres.

DATE: 23/10/98

A. PELLERIN ET FILS LTÉE

Per: 

NAME: Yvon Pellerin

TITLE: Dir. Production

DATE: 23/10/98