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PATENTS ONLY

Form PTO-1595

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U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):  
Alan Rozich

6.6-01

2. Name and address of receiving party(ies)

Name: Program Management Company

Internal Address: a Pennsylvania corporation

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

- ☒ Assignment ☐ Merger  
☐ Security Agreement ☐ Change of Name  
☐ Other \_\_\_\_\_

Street Address: 835 Springdale Drive

City: Exton State: PA Zip: 19341

Execution Date: 12/31/99

Additional name(s) & address(es) attached? ☐ Yes ☒ No

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)

5,141,646 &amp; 5,492,624

Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Lerner, David, Littenberg,  
Name: Krumholz & Mentlik

Internal Address: \_\_\_\_\_

Street Address: 600 South Avenue West

City: Westfield State: NJ Zip: 07090

6. Total number of applications and patents involved: 2

7. Total fee (37 CFR 3.41).....\$80.00

☐ Enclosed☒ Authorized to be charged to deposit account

8. Deposit account number:

12-1095

(Attach duplicate copy of this page if paying by deposit account)

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.

Arnold H. Krumholz

Name of Person Signing

Signature

6/4/01

Date

Total number of pages including cover sheet, attachments, and documents: 11

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231

06/11/2001 AAHMED1 00000037 121095 5141646  
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PATENT  
REEL: 011862 FRAME: 0792

**AGREEMENT REGARDING SALE AND  
ASSIGNMENT OF PATENT AND TECHNOLOGY RIGHTS**

This Amended Agreement ("Agreement") is made as of this 31st day of December, 1999, and effective as of the 1st day of April, 1999 (the "Effective Date"), between ALAN ROZICH, an individual having a mailing address of 5 Amanda Lane, West Chester, Pennsylvania 19380 ("Inventor") and PROGRAM MANAGEMENT COMPANY, a Pennsylvania corporation, having a mailing address of 835 Springdale Drive, Exton, Pennsylvania 19341 ("PMC").

**BACKGROUND**

Inventor is the owner and holder of certain United States patents numbered 5,141,646 ("Process for Sludge and/or Organic Waste Reduction") and 5,492,624 ("Waste Treatment Process Employing Oxidation"), issued on August 25, 1992 and February 20, 1996, respectively, (each a "Patent" and collectively the "Patents") relating to advanced fluidized composting technology and derivatives (the "AFC Technology"). Inventor is the owner of eleven percent (11%) of the issued and outstanding shares of capital stock of PMC and is employed by PMC on a full-time basis as Senior Program Director.

Pursuant to an Agreement made April 1, 1999, between Inventor and PMC, Inventor has agreed to sell and assign to PMC and PMC has agreed to purchase (i) the Patents and the AFC Technology, (ii) all improvements and derivatives relating to the Patents and the AFC Technology, and (iii) all future inventions relating to the Patents and the AFC Technology, water and wastewater treatment, site remediation, pollution prevention and/or process engineering technologies, all in accordance with the terms of this Agreement.

NOW THEREFORE, with the foregoing recitals incorporated herein and made a part hereof by reference, and in consideration of the mutual covenants and agreements herein contained, for other good and valuable consideration, and intending to be legally bound, the parties hereby agree as follows:

1. **Sale and Assignment of Patent and Technology Rights.**

(a) Inventor hereby sells and assigns to PMC and PMC hereby purchases from Inventor the Patents and the AFC Technology, together with all powers and privileges relating thereto. In

addition, Inventor hereby sells and assigns to PMC all of Inventor's right, title and interest in and to all licenses and royalty fees that are or may in the future, become payable to Inventor under the U.S. Filter Agreement and the ERM License Arrangement (as those terms are hereinafter defined) including any extensions or modifications thereof. Inventor shall execute and deliver, contemporaneously with the execution and delivery of this Agreement, an Assignment of Patent Form, PTO-SB41, or similar form ("Assignment of Patent") effecting a valid and effectual transfer to PMC of the Patent rights being sold and assigned pursuant to the terms of this Agreement.

(b) Inventor hereby sells and assigns to PMC and PMC hereby purchases from Inventor any and all future inventions, improvement and derivatives made by Inventor that are an improvement on or a derivative of the assigned Patents and/or the AFC Technology (all of the foregoing collectively "Future AFC Inventions"). Inventor further covenants to promptly and fully disclose to PMC all such Future AFC Inventions and shall assign to PMC the rights to such Future AFC Inventions so that PMC shall receive, by virtue of this Agreement, the Future AFC Inventions granted to it. Inventor hereby covenants and agrees to execute any and all documentation deemed by PMC to be necessary or desirable to perfect, effectuate, protect and maintain the rights of PMC in all such Future AFC Inventions and hereby irrevocably and unconditionally appoints PMC as attorney-in-fact for Inventor for purposes of executing, filing and recording any and all such documents and instruments. The foregoing power of attorney is coupled with an interest and shall specifically survive the termination of this Agreement and the termination of Inventor's employment by PMC. All of the costs associated with the effectuation, protection and maintenance of the rights of PMC in all such Future AFC Inventions shall be borne by PMC.

(c) Inventor hereby sells and assigns to PMC and PMC hereby purchases from Inventor each invention, discovery, idea or improvement, whether or not patentable, that is made or conceived by Inventor, either alone or with others, relating to water and wastewater treatment, site remediation, pollution prevention and/or process engineering applications, developed during Inventor's term of employment by PMC and directly or indirectly related to Inventor's work and investigations resulting from or suggested by any work done for PMC (all of the foregoing collectively "Additional Inventions"). Inventor will promptly advise PMC of each Additional Invention, and Inventor will promptly submit to PMC a written disclosure of each Additional Invention describing its nature, use and operation. To this end, Inventor agrees to maintain records of all work, including each Additional Invention, in such form and detail and with such frequency as may be reasonably prescribed by PMC from time to time. Inventor will deliver the relevant records to PMC immediately upon request or upon termination of Inventor's employment relationship with PMC. Inventor shall, without additional consideration, assign to PMC all right, title and interest in and to each Additional Invention, and PMC may obtain, for its own benefit, and at its own cost, patents and other forms of protection for each Additional Invention in any and all countries. From time to time upon request, Inventor will execute all documents and instruments and do all things as may reasonably be required by PMC to protect and maintain the rights of PMC in any such Additional Inventions, and hereby irrevocably and unconditionally appoints PMC as attorney-in-fact for Inventor for purposes of executing, filing and recording any such documents and instruments. The foregoing power of attorney is coupled with an interest and shall specifically survive the termination of this Agreement.

2. Consideration and Security. As consideration for the sale and assignment of the items set forth in Section 1, PMC agrees to pay Inventor the amounts specified in this Section 2.

(a) As consideration for the Patents and the AFC Technology, PMC shall pay to Inventor the following amounts:

(i) PMC agrees to pay Inventor the sum of Five Hundred Thousand Dollars (\$500,000) payable in accordance with the terms of that certain promissory note in the stated principal amount of Five Hundred Thousand Dollars (\$500,000) executed as of the Effective Date by PMC payable to the order of Inventor ("Note"), subject to the terms and conditions set forth herein. As security for the performance of PMC of its obligations under the Note, PMC has executed and delivered a patent security agreement dated as of the Effective Date ("Security Agreement") pursuant to the terms of which PMC grants to Inventor a security interest in the Patents.

(ii) PMC agrees to pay Inventor fifty percent (50%) of all license fees generated by licensing agreements entered into with respect to the Patents and the AFC Technology. Notwithstanding the foregoing, with respect to license fees payable by ERM under the ERM License Arrangement (as described in Section 4(e) below) in connection with any of the projects listed on Exhibit "A" attached hereto and made a part here, PMC shall pay to Inventor seventy-five percent (75%) of such license fees, but only with respect to projects that are sold by ERM prior to March 10, 2001 and in which ERM acts as the prime contractor. In all other cases, fifty percent (50%) of the license fees payable by ERM under the ERM License Arrangement in connection with the projects listed on Exhibit "A" shall be paid to Inventor. For purposes hereof, a project will be deemed to be "sold" by ERM only upon the execution of a bona fide, legally binding, written contract which identifies ERM as the prime contractor thereunder.

(b) As consideration for the Future AFC Inventions and Additional Inventions, PMC agrees to pay to Inventor fifty percent (50%) of all license fees generated by licensing agreements entered into with respect to the Future AFC Inventions and the Additional Inventions.

(c) All licensing fees payable under all such licensing agreements shall, in the first instance, be paid to PMC by or for the benefit of the licensee thereunder. PMC shall pay Inventor's portion of such license fees to Inventor within thirty (30) days following receipt of such license fees by PMC. Under certain conditions mutually acceptable to Inventor and PMC, Inventor may opt to defer receipt of license fee payments as set forth in this Agreement. In the event Inventor opts to defer receipt of license fee payments, Inventor will advise PMC in writing with a suggested adjusted payment schedule of said fees, which deferred fee payment schedule shall be mutually acceptable to Inventor and PMC.

### 3. Cooperation.

(a) Inventor covenants and agrees that he will at any time, upon request, execute and deliver any and all papers that may be necessary or desirable to perfect the title to the Patents, the AFC Technology, the Future AFC Inventions, and the Additional Inventions or any letters patent that are or may be granted therefor. Inventor further covenants and agrees that he will at any time, upon request communicate to PMC any facts relating to the Patents, the AFC Technology, the Future AFC Inventions, and the Additional Inventions and letters patent or the history thereof and testify as to the same in connection with any application, interference or other litigation when requested to do so.

(b) PMC covenants and agrees that PMC will, at its sole cost and expense, take all steps and prepare all documents, papers, intellectual property packages, patent applications and the like, that PMC deems necessary or advisable in order to effectuate, protect and maintain the right and interest of PMC in and to the Patents, the AFC Technology, the Future AFC Inventions, and the Additional Inventions.

(c) The obligations of the parties contained in this Section 3 shall specifically survive the termination of this Agreement.

4. Inventor's Representations and Warranties. Inventor represents and warrants that:

(a) As of the date hereof, Inventor is the sole and exclusive owner of the Patents, the AFC Technology and the inventions described and claimed therein, subject to no lien or encumbrance whatsoever.

(b) Inventor has not previously assigned, pledged, hypothecated or otherwise transferred or pledged any interest in the Patents or the AFC Technology to any other person or party excepting only a prior assignment to Environmental Resources Management, Inc. ("ERM") pursuant to the terms of that certain Agreement dated February 16, 1993 ("ERM Agreement") between Inventor and ERM. The ERM Agreement, including, without limitation, the assignment of the Patents to ERM, has been validly, unconditionally and irrevocably terminated by the parties thereto and the Patents have since been re-assigned by ERM to Inventor.

(c) Inventor has full legal right and authority to execute this Agreement and complete the transactions contemplated hereby and the transactions contemplated by this Agreement will not violate any contract, agreement, order, judgment or other document or instrument to which Inventor is a party or by which he is bound.

(d) There is no litigation pending or threatened affecting the validity of the Patents or which, if decided against Inventor would have a material adverse impact on PMC's use and enjoyment of the rights assigned hereunder or which would in any way conflict with the terms of this Agreement or the transactions contemplated hereby.

(e) There are no unexpired or outstanding licensing or similar agreements involving the Patents or the AFC Technology excepting only (i) that certain Agreement dated April 3, 1998 ("U.S. Filter Agreement") executed by Inventor and U.S. Filter Wastewater Group, Inc. ("U.S. Filter") relating to wastewater applications which license rights expire on March 10, 2001 and (ii) the license rights granted to Environmental Resources Management, Inc. ("ERM") pursuant to that certain Letter Agreement dated February 20, 1997 between ERM and Inventor (the "ERM License Arrangement") relating to site remediation applications which license rights expire on February 20, 2001.

#### 5. Licensing; Certain Remedies.

(a) From and after the date hereof, no license to make, use and/or sell any Patents, articles, inventions or rights assigned hereby shall be executed or effectual unless made in a writing signed by PMC. The terms and conditions of any license agreement shall be subject to the express written consent of PMC in all respects. Notwithstanding the foregoing, the parties agree that targeted license fees will be eight percent (8%) of installed system cost and so long as no Event of Default with respect to Inventor has occurred hereunder, license fees will not be less than six percent (6%) of installed system cost, without the mutual agreement of Inventor and PMC.

(b) Following the occurrence of an Event of Default by PMC, in addition to any other remedies available to Inventor, all of PMC's share of license fees generated by the Patents, the AFC Technology, the Future AFC Inventions, and the Additional Inventions pursuant to license agreements executed subsequent to the occurrence of the Event of Default by PMC, shall be paid to Inventor as payments on the Note until the earlier of the date

the Event of Default is cured or the date the Note is paid in full.

(c) Following the occurrence of an Event of Default by Inventor hereunder, until such Event of Default is cured, in addition to any other remedies available to PMC, all payments due under the Note and all of Inventor's share of license fees generated by the Patents, the AFC Technology, the Future AFC Inventions, and the Additional Inventions pursuant to license agreements executed subsequent to the occurrence of the Event of Default by Inventor, up to an amount reasonably estimated to represent the damages incurred by PMC as a result of such Event of Default, shall be withheld by PMC to be offset against any damages incurred by PMC as a result of such Event of Default, with the balance of any such amounts withheld in excess of the amount finally determined as damages incurred by PMC then paid to Inventor.

6. Default. The occurrence of any one or more of the following shall, at the option of the non-breaching party, constitute an Event of Default hereunder:

(a) Any of the representations and warranties of Inventor hereunder shall be untrue in any material respect.

(b) Inventor shall fail to perform and observe any of the covenants or agreements to be performed or observed by Inventor hereunder within thirty (30) days after written notice of such failure from PMC to Inventor.

(c) PMC shall fail to make two (2) consecutive monthly installments under the Note and thereafter fails to cure such non-payment within thirty (30) days after written notice of nonpayment from Inventor to PMC.

(d) PMC shall fail to perform and observe any of the other covenants and agreements to be observed or performed by PMC hereunder within thirty (30) days following written notice of such failure from Inventor to PMC.

7. Remedies. Following the occurrence of an Event of Default hereunder, the parties hereto shall be entitled to exercise all of their rights and remedies in law and/or in equity as well as the rights and remedies of the parties set forth herein including, without limitations, the remedies set forth in Section 5 hereof.



8. Severability. In the event one or more of the provisions of this Agreement shall be held to be invalid, illegal or unenforceable, such provision(s) shall nevertheless remain valid, legal and enforceable in all other respects and to such extent as may be permissible. Any such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

9. Successors and Assigns. This Agreement shall inure to the benefit of the parties hereto and their respective heirs, executors, personal representatives, successors and assigns.

10. Amendment. This Agreement shall not be amended except in writing signed by all of the parties hereto.

11. Jurisdiction; Venue. Any action or proceeding instituted in connection with this Agreement, the Note or the Patent Security Agreement shall be brought exclusively in the Court of Common Pleas of Chester County, Pennsylvania and the parties hereto, for themselves and their respective successors and assigns, hereby expressly waive any and all defenses to an exercise of personal jurisdiction by such Court.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

13. Entire Agreement. This Agreement contains the entire understanding among the parties and supersedes any prior understandings and agreements between them respecting the subject matter hereof. There are no representations, agreements, arrangements, or understandings, oral or written, between or among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein.

14. Further Assurances. Each party hereto agrees to execute and deliver such additional agreements, certificates, and other documents as may be necessary or appropriate to carry out the intent and purposes of this Agreement.

15. Counterparts. This Agreement may be executed simultaneously in one or more counterparts with the same effect as if all of the parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

Witness:

Lynia Thompson

Alan J. Rozich

Alan Rozich

Attest:

PROGRAM MANAGEMENT COMPANY

By: Secretary/Treasurer  
Title:

By: Paul C. [Signature]  
Title:

[CORPORATE SEAL]

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EXHIBIT "A"

Eli Lilly (Clinton, IN)	- \$3.2 million - 2 proposals - 1 RCRA, 1 Fermentation
Sartomer (West Chester, PA)	- (amount unknown)
Warner Lambert (Lititz, PA)	- \$2.5 million
Warner Lambert (Holland, MI)	- \$2.5 million
Dow Elanco (Houghton Beach, MI)	- (amount unknown)
B.F. Goodrich (Henry, IL)	- \$1.5 million
Universal Foods (Red Star) (Dallas, TX)	- \$2.0 million
W.R. Grace (Baltimore, MD)	- \$1.0 million
Colorcon (West Point, PA)	- \$750K
P&G (Puerto Rico)	- (amount unknown)
Polyol Dairies (Kraft) (6 plants in New York)	- (amount unknown)
Kimberly Clark (Canada)	- (amount unknown)