

RF

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Attorney Docket
No.: 035825-0112

102576846

To the Commissioner of Patents and Trademarks: Plea

Documents or copy thereof.

1. Name of conveying party(ies):

David Tye
2701 Junipero Avenue
Signal Hill, CA 90755

2. Name and address of receiving party(ies):

Severn Trent Water Purification, Inc
580 Virginia Drive
Suite 300
Fort Washington, PA 19034

3. Nature of conveyance:

Assignment Merger
 Security Agreement Change of Name

Execution Date: September 11, 2003

2003 OCT 15 AM 8:15
OPR/FINANCE

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.: U.S. 6,533,504

B. Patent No.(s): 09/834,753
10/046,066

Additional numbers attached? Yes No

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

Louis W. Beardell, Jr.
MORGAN, LEWIS & BOCKIUS LLP
1701 Market Street
Philadelphia, PA 19103
Telephone: (215) 963-5000
Direct Dial: (215) 963-5067
Facsimile: (215) 963-5001
E-Mail: lbeardell@morganlewis.com

6. Total number of applications and patents involved: [3]

7. Total fee (37 C.F.R. 3.41) Cal. 3 x \$40.00 = \$ 120.00

Check enclosed
 Authorized to be charged to deposit account

8. Deposit account number: 50-0310

Billing No.: 035825-0112

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.

Louis W. Beardell, Jr.
Name of Person Signing

Louis W. Beardell, Jr.
Signature

10/3/03
Date

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

OMB No. 0651-0011 (exp. 4/94)

10/16/2003 670M11 00000103 500310 6533504

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ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT (the "Agreement") is entered into as of September 11, 2003 (the "Effective Date"), by and between Severn Trent Water Purification, Inc., a Pennsylvania corporation having its principal place of business at 580 Virginia Drive, Suite 300, Fort Washington, PA 19034 ("Severn"), and David Tye, an individual residing at 2701 Junipero Ave., Signal Hill, CA 90755 ("Tye").

WHEREAS, the parties have entered into the Settlement Agreement and General Release dated as of September 11, 2003, pursuant to which the parties have agreed to jointly own all Patent Rights in accordance to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the foregoing promises and mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS

1.1 "Patent Rights" means (a) the Issued Patent and Patent Applications listed in Schedule 1 and any and all related United States and foreign patent applications claiming any inventions disclosed in the Patent Applications and Issued Patent, including, without limitation, provisionals, non-provisionals, divisionals, continuations, and continuations-in-part thereof, along with all rights of priority created by such patent applications under any treaty relating thereto; and (b) all United States and foreign patents which mature from any of the Patent Applications, including, without limitation, extensions, reissues and reexamination certificates thereof.

2. ASSIGNMENT AND PATENT PROSECUTION

2.1 Assignment of Inventions and Patent Rights. Tye hereby sells, assigns and transfers to Severn an equal and undivided interest in and to all Patent Rights. Neither party may license any rights conferred by this Agreement without the prior written consent of the other party.

2.2 Patent prosecution responsibility. The parties covenant that they have mutually agreed upon an attorney to continue prosecution of the Patent Applications. Tye, not Severn, shall be the client of the prosecuting attorney. Tye shall have the sole responsibility for providing assistance to such prosecuting attorney, however, in exchange for assuming such obligation, Severn hereby releases Tye from any and all liability related to his actions in this capacity. Tye shall keep Severn continuously informed of all matters relating to the preparation, filing, prosecution and maintenance of all documents related to the Patent Rights, including, without limitation, disclosing to Severn the complete text of all such Patent Rights and informing Severn of any hearings or other proceedings before any court or governmental authority. In addition, Tye shall provide Severn with copies of all correspondence with the applicable patent office.

2.3 Severn agrees that the prosecuting attorney and the prosecuting attorney's firm owe no duty whatsoever to Severn and Severn hereby releases the prosecuting attorney and the prosecuting attorney's firm from any and all liability related to his/its actions concerning any of the Patent Rights. To the extent that any claim of conflict of interest could be made by Severn, Severn hereby waives any such claim.

2.4 Tye may, at any time, upon 30 days written notification to Severn, elect to discontinue prosecution of any of the Patent Rights, and such election shall divest Tye of any rights in the patent application for which he has elected to discontinue prosecution. Tye hereby sells, assigns, and transfers to Severn his rights, title, and interest in and to each patent application for which he elects to discontinue prosecution. Such election by Tye shall relieve Tye of any and all obligations to Severn concerning such patent application including the obligations to keep Severn informed and to provide Severn with copies of correspondence.

Further, such election by Tye to discontinue prosecution shall, upon expiration of the 30 notice period, relieve the prosecuting attorney and the prosecuting attorney's firm from any obligation to continue prosecution.

2.5 Patent prosecution costs. Severn agrees to pay up to \$5000.00 toward patent prosecution, issuance fee, and maintenance fees for the Patent Rights, so long as such costs are actually incurred. Tye agrees to pay all other amounts associated with prosecution of the Patent Applications unless he elects to discontinue prosecution as provided by section 2.4. Any amount remaining after all prosecution, issuance fees and maintenance fees for the Patent Rights have been paid shall be returned to Severn.

3. WARRANTIES

3.1 Tye makes no warranties, either express or implied, as to the patentability of any of the Patent Rights or as to the validity or enforceability of the Issued Patent or any patent that results from any of the Patent Applications.

3.2 Tye makes no warranties, either express or implied, that any action taken by Severn in reliance on this Agreement is not an infringement of some third party's rights.

4. INDEMNITY

4.1 Indemnification by Severn. Severn shall indemnify, defend and hold harmless Tye from and against all third party actions, suits and claims, and any liabilities, losses, damages, judgments, costs and expenses ("Losses"), resulting from or arising out of: (a) a material breach by Severn of any of its representations, warranties or covenants set forth in this Agreement; or (b) gross negligence or willful misconduct of Severn, provided, however, that the foregoing indemnification shall not apply to any Loss to the extent such Loss is caused by the gross negligence or willful misconduct of Tye.

4.2 Indemnification by Tye. Tye shall indemnify, defend and hold harmless Severn from and against all third party actions, suits and claims, and any liabilities,

losses, damages, judgments, costs and expenses (“Losses”), resulting from or arising out of: (a) a material breach by Tye of any of its representations, warranties or covenants set forth in this Agreement; or (b) gross negligence or willful misconduct of Tye, provided, however, that the foregoing indemnification shall not apply to any Loss to the extent such Loss is caused by the gross negligence or willful misconduct of Severn.

4.3 Indemnification Claims. Each party shall give the other party prompt written notice of any claim for which indemnification under this Article 4 is or may be applicable and will cooperate with the indemnifying party in the defense or settlement of such claim at the indemnifying party’s expense. The indemnifying party shall be required to provide and be entitled to control the defense of any claim covered hereunder (including the right to settle it at the sole discretion of the indemnifying party) with counsel reasonably satisfactory to the other party, which may, at its own expense, participate in the defense of any claim after the indemnifying party assumes control of the defense thereof. The indemnification obligations in this Article 4 shall not apply to amounts paid in settlement of such claim if such settlement is effected without the consent of the indemnifying party, which consent shall not be unreasonably withheld or delayed. The failure of the indemnified party to deliver written notice to the indemnifying party promptly after the commencement of any such action, if prejudicial to the indemnifying party’s ability to defend such action, shall relieve the indemnifying party of any liability to the indemnified party under this Article 4, but the failure to promptly deliver written notice to the indemnifying party will not relieve it of any liability that it may have to the indemnified party other than under this Article 4.

5. TERM AND TERMINATION

5.1 Term. The term of this Agreement shall commence on the Effective Date and shall continue until the expiration of the last-to-expire of the Patent Rights.

5.2 Survival. Nothing herein will be construed to release either party of any obligation matured prior to the effective date of termination. The obligations of the parties under this Section 5.2 and Articles 3, 4, and 6 shall survive any expiration or termination of this Agreement.

6. PUBLICITY AND USE OF NAME

6.1 Neither party shall originate any publicity, news release or other public announcement (“Announcements”), written or oral, relating to this Agreement, or the existence of an arrangement between the parties, without the prior written approval of the other party, which approval shall not be unreasonably withheld, except as otherwise required by law. The foregoing notwithstanding, either party shall have the right to make such Announcements without the consent of the other, in any prospectus, offering memorandum, or other document or filing required by securities laws or other applicable law or regulation, provided that announcing party shall have given the other party at least ten (10) days’ prior written notice of the proposed text for the purpose of giving Tye the opportunity to comment on such text. Neither party shall use the other party’s name except upon the written approval of the other party.

7. REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties. Each party represents and warrants that, to the best of its knowledge, it has the right to enter into and to perform its obligations hereunder without thereby breaching any of its obligations to third parties. Tye hereby represents and warrants to Severn that as of the date hereof, he has not sold, transferred, conveyed, encumbered or assigned any interest in the Patent Rights to anyone. Each parties further represents and warrants that he/it has no right, title, or interest in any patent or patent applications claiming any invention disclosed in the Patent Rights, other than the Patent Rights themselves.

8. GENERAL

8.1 Assignment of this Agreement. None of the rights conferred by this Agreement may be assigned by either party without the prior written consent of the other party, except that either party may assign this Agreement or any of its rights hereunder without any prior consent of the other party (a) to any of its/his affiliates or employers; (b) in connection with a sale of all or substantially all of its assets or stock; or (c) in connection with a merger or other corporate reorganization.

8.2 Notices. Any payment, notice or other communication required or otherwise given pursuant to this Agreement shall be in writing and delivered by hand or sent by nationally recognized overnight delivery service, prepaid registered or certified air mail, or by facsimile confirmed by prepaid first class, registered or certified mail letter, and shall be deemed to have been properly served to the addressee upon receipt of such written communication.

If to Severn:

Severn Trent Water Purification, Inc.
580 Virginia Drive, Suite 300
Fort Washington, PA 19034
Attn: Terry Pearce
Fax: 215-283-3479

with a copy to:

Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921
Attn: Ann Byun
Fax: 215-963-5001

If to Tye:

David Tye
2701 Junipero Ave
Signal Hill, CA. 90755
Attn: David Tye
Fax: 310-388-5640

with a copy to:

Rutan & Tucker
611 Anton Bl.
Costa Mesa, CA. 92626
Attn: Richard Howell
Fax: 714-546-9035

8.3 Compliance with Laws. The parties agree to comply with all applicable national, state and local laws and regulations in connection with its activities pursuant to this Agreement.

8.4 No Agency. Nothing herein shall be deemed to constitute either party as the agent or representative of the other party, or both parties as joint venturers or partners for any purpose. Each party shall be an independent contractor, not an employee or partner of the other party, and the manner in which each party renders its services under this Agreement shall be within its sole discretion. Neither party shall be responsible for the acts or omissions of the other party, and neither party will have authority to speak for, represent or obligate the other party in any way without prior written authority from the other party.

8.5 Further Assurances. The parties agree to execute, acknowledge if appropriate, and deliver any document and cooperate in performing any acts in any reasonable manner to carry out the intent and implement the terms and conditions of this Agreement without further compensation. Each of the parties further covenants, agrees, and undertakes not to claim in any patent applications other than the Patent Rights, any invention disclosed in the Patent Rights.

8.6 Modification and Waiver. No provision of this Agreement can be changed, altered, modified, or waived except in a writing signed by Severn and Tye. Any waiver of any rights or failure to act in a specific instance shall relate only to such instance and shall not be construed as an agreement to waive any rights or failure to act in any other instance, whether or not similar.

8.7 Entire Agreement and Superseding Effect. The parties acknowledge that no representation, promise, or inducement has been made to them other than as set forth in this Agreement, and that they did not enter into this agreement in reliance upon any representation, promise, or inducement not set forth herein. The terms of this Agreement are a binding contract, and are not mere recitals.

8.8 Understanding. The parties acknowledge and represent that they have read this Agreement fully, and understand and voluntarily consent to each and every provision contained herein.

8.9 Applicable Law. This Agreement shall be governed by, construed and interpreted according to the laws of the State of California without regard to its conflict of law provisions.

8.10 Severability. If any provision of this Agreement or the application of any such provision is held invalid, the remainder of the Agreement, and the application of the remaining provisions, shall not be affected thereby.

8.11 No Construction. The parties have cooperated in the drafting and preparation of this Agreement. Therefore, neither Severn nor Tye shall be deemed the drafter of this Agreement for the purpose of interpreting or construing any of the provisions hereof.

8.12 Representation by Counsel. The parties acknowledge that they have been represented by independent legal counsel of their own choice throughout all of the negotiations that preceded the execution of this Agreement and that they have executed

this Agreement with the consent and on the advice of such independent legal counsel. The parties further acknowledge that they have had an adequate opportunity to make whatever investigation or inquiry they deem necessary or desirable in connection with any of the subjects of this Agreement prior to the execution hereof and the delivery and acceptance of the consideration specified herein.


IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first written above.

SEVERN TRENT WATER PURIFICATION, INC.

By: Terry A. Pearce

Name: Terry A. Pearce

Title: VP



DAVID TYE

SCHEDULE 1

PATENTS AND PATENT APPLICATIONS

Issued Patent

U.S. 6,533,504

Patent Applications:

09/834,753

10/046,066