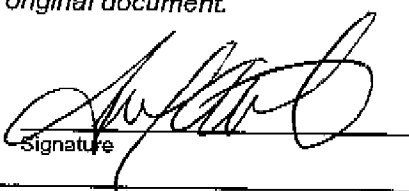


Substitute Form PTO-1595
Attorney Docket No.: 00635-285001

RECORDATION FORM COVER SHEET PATENTS ONLY

Commissioner for Patents: Please record the attached original document(s) or copy(ies).	
1. Name of conveying party(ies): Sea Tech, Inc., Elizabeth E. Knowles, Randall J. Rehder Additional name(s) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2. Name and address of receiving party(ies): Watts Acquisition Corp. 815 Chestnut Street North Andover, Massachusetts 01845 United States of America Additional names/addresses attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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: Asset Purchase Agreement Execution Date: 12/22/2004	
4. Application number(s) or patent number(s): If this document is being filed with a new application, the execution date of the application is: A. Patent Application No(s).: 60/213,046 09/789,312 60/374,709 10/406,639 10/952,484 10/405,901 B. Patent No(s).: Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
5. Name/address of party to whom correspondence concerning document should be mailed: TIMOTHY A. FRENCH Fish & Richardson P.C. 225 Franklin Street Boston, MA 02110-2804	6. Total number of applications/patents involved: 1 7. Total fee (37 CFR §3.41): \$240 <input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to charge Deposit Account. 8. Deposit Account No.: 06-1050 Please apply any additional charges, or any credits, to our Deposit Account No. 06-1050.
DO NOT USE THIS SPACE	
9. Statement and Signature: <i>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.</i>	
Timothy A. French <u>Reg. No. 30,175</u> Name of Person Signing	<div style="text-align: center;">  Signature </div> <div style="text-align: right; margin-top: 20px;"> <u>01-14-2005</u> Date </div>
Total number of pages including coversheet, attachments and document: 10	

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CERTIFICATE OF TRANSMISSION BY FACSIMILE

I hereby certify that this correspondence is being transmitted by facsimile to the Patent and Trademark Office on the date indicated below.

January 14, 2005
Date of Transmission


Signature

Timothy A. French
Typed Name of Person Signing Certificate

PATENT

700145932

REEL: 015597 FRAME: 0563

CH \$240.00 061050 60213046

Execution Copy

[EXTRACT]

ASSET PURCHASE AGREEMENT

by and among

WATTS ACQUISITION CORP.,

WATTS REGULATOR CO.,

SEA TECH, INC.

and

THE SHAREHOLDERS OF SEA TECH, INC.

DECEMBER 22, 2004

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is entered into as of December 22, 2004 by and among Watts Acquisition Corp., a Delaware corporation ("Buyer"), Sea Tech, Inc., a North Carolina corporation (the "Company"), and each of the shareholders of the Company, all of which shareholders are listed on the signature pages to this Agreement (each, a "Shareholder" and collectively, the "Shareholders"). In addition, for the purposes of Section 9.14, Watts Regulator Co., a Massachusetts corporation, (the "Guarantor") is a party to this Agreement.

WITNESSETH

WHEREAS, subject to the terms and conditions of this Agreement, (A) the Company desires to sell, transfer and assign to Buyer, and Buyer desires to purchase from the Company, substantially all of the assets of the Company, except as otherwise specifically excluded in this Agreement and (B) the Company desires to transfer and assign to Buyer and Buyer desires to assume from the Company certain liabilities of the Company as specifically provided in this Agreement.

NOW, THEREFORE, in order to consummate said purchase and sale and in consideration of the mutual representations, warranties, covenants and agreements, and upon the terms and subject to the conditions set forth herein, the parties hereto agree as follows:

SECTION 1. PURCHASE AND SALE OF ASSETS; PURCHASE PRICE.

1.1 Sale of Assets.

(a) Subject to the provisions of this Agreement, at the Closing (as defined in Section 1.5 hereof) the Company shall sell, transfer and assign to Buyer, free and clear of any Liens (as defined herein) except for Permitted Liens as defined on Schedule 2.5 hereof, all right, title and interest in and to all of the assets, properties, interests and business of the Company (except for the Excluded Assets, as defined in Section 1.1(b)), of every kind and description, tangible and intangible, real, personal or mixed, wherever located, and whether existing as of the date of this Agreement or acquired prior to the Closing, including, without limitation, the following:

(v) all common law rights, if any, to the names used by the Company, including Sea Tech, and all related and associated logos and trademarks, and all licenses to or from third parties with respect to the foregoing or rights related thereto;

(vi) all of the Company's goodwill and all Intellectual Property (as defined herein) and all rights embodied in or related to such Intellectual Property, including trade secrets, proprietary information, domain names, customer lists, designs, styles, technologies, inventions, know-how, formulae, processes, procedures, research records, test information, software and software documentation, market surveys, marketing know-how and manufacturing, research and technical information, trade names, copyrights and copyright registrations, service marks and trademarks (including applications and registrations therefore), patents and patent applications (including, without limitation, the trade names, copyrights and copyright registrations, service mark and trademark registrations and applications and patents and patent applications described in Schedule 1.1(a)(vi) attached hereto);

2.11 Intellectual Property.

(a) Schedule 2.11 contains a complete and accurate list of all Patents (as defined below) owned or purported to be owned by the Company (the "Company Patents"), registered and material unregistered Trademarks (as defined below) owned or purported to be owned by the Company (the "Company Trademarks") and registered and material unregistered Copyrights (as defined below) owned or purported to be owned by the Company (the "Company Copyrights").

(j) For purposes of this Agreement:

"Intellectual Property" means:

(i) all patents, patent applications, patent rights, and inventions and discoveries and invention disclosures (whether or not patented) (collectively, "Patents");

(ii) trade names, trade dress, logos, packaging design, slogans, Internet domain names, registered and unregistered trademarks and service marks and related registrations and applications for registration (collectively, "Trademarks");

(iii) copyrights in both published and unpublished works, including without limitation all compilations, databases and computer programs, manuals and other documentation and all copyright registrations and applications, and all derivatives, translations, adaptations and combinations of the above (collectively, "Copyrights");

(iv) know-how, trade secrets, confidential or proprietary information, research in progress, algorithms, data, designs, processes, formulae, drawings, schematics, blueprints, flow charts, models, strategies, prototypes, techniques, Beta testing procedures and Beta testing results (collectively, "Trade Secrets");

(v) other intellectual property rights and/or proprietary rights relating to any of the foregoing; and

(vi) goodwill, franchises, licenses, permits, consents, approvals, and claims of infringement against third parties.

(k) "Company Intellectual Property" means all Intellectual Property owned or purported to be owned by the Company, or used or held for use by the Company, including, without limitation, all the Company Patents, the Company Marks, the Company Copyrights and the Company Trade Secrets.

DEC-21-2004 16:36

WATTS CORP

9786982976 P.02/13

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first set forth above.

BUYER:

WATTS ACQUISITION CORP.

By: Patrick S. O'Keefe

Name: Patrick S. O'Keefe

Title: President

COMPANY:

SEA TECH, INC.

By: _____

Name:

Title:

SHAREHOLDERS:

Elizabeth E. Knowles

Randall J. Rehder

GUARANTOR:

WATTS REGULATOR CO.

By: Patrick S. O'Keefe

Name: Patrick S. O'Keefe

Title: President

[Signature Page to Asset Purchase Agreement]

0-22-2004 WED 04:47 PM SEA TECH INC

FAX NO. 9107634684

P. 02

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first set forth above.

BUYER:

WATTS ACQUISITION CORP.

By: _____
Name:
Title:

COMPANY:

SEA TECH, INC.

By: Elizabeth E. Knowles
Name: Elizabeth E. Knowles
Title: President

SHAREHOLDERS:

Elizabeth E. Knowles
Elizabeth E. Knowles

Randall J. Rehder
Randall J. Rehder

GUARANTOR:

WATTS REGULATOR COMPANY

By: _____
Name:
Title:

Schedule 2.11
Intellectual Property

1) Company Patents:

a) Patents:

None.

b) Patent Applications:

i) Wash Down System:

(A) U.S. Patent Application No. 60/213046, filed 6/21/00, Converted.

(B) U.S. Patent Application No. 09/789312, filed 2/20/01, Abandoned.

ii) Connector:

(A) U.S. Patent Application No. 60/374709, filed 4/23/02, Converted.

(B) U.S. Patent Application No. 10/406639, filed 4/02/03, Abandoned.

(C) U.S. Patent Application No. 10/952484, filed 9/28/04, Continuation-In-Part, Pending.

iii) Manifold:

(A) U.S. Patent Application No. 10/405901, filed 4/01/03, Pending.

c) Patent Rights:

None.

d) Inventions and Discoveries:

None.

e) Invention Disclosures:

None.

2) Company Marks:

a) Internet Domain Names:

www.seatechinc.com.

b) Registered Trademarks:

None.

c) Applications for Registered Trademarks:

None.

d) Unregistered and Unenforced Trademarks, Trade Names, Trade Dresses, Packaging Designs, Slogans, Logos and common law rights to any of the foregoing, if any:

i) "Sea Tech," variations thereon and related logo

ii) "Neptune Systems"

iii) "Super Coil System" and related logo

iv) "Speed Trap"

v) "Deck Coil"

vi) "Sea Flex" or

vii) "Uni Flex"