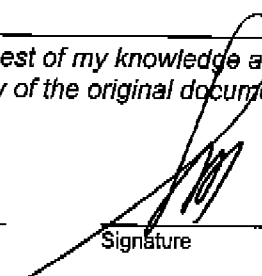


Substitute Form PTO-1595  
Attorney Docket No.: 17026-002001

## 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): <b>O Five Corporation</b> Additional name(s) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2. Name and address of receiving party(ies): <b>PlasmaDrive, Inc.</b> <b>74-399 Highway 111</b> <b>Suite M</b> <b>Palm Desert, CA 92260</b> 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: <b>03/09/2005</b>	
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).: <b>10/801,188</b> 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: <b>SCOTT C. HARRIS</b> <b>Fish &amp; Richardson P.C.</b> <b>12390 El Camino Real</b> <b>San Diego, California 92130</b>	6. Total number of applications/patents involved: <b>1</b> 7. Total fee (37 CFR §3.41): <b>\$40</b> <input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to charge Deposit Account. 8. Deposit Account No.: <b>06-1050</b> 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>  <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <b>Scott C. Harris</b>  <b>Reg. No. 32,030</b>            Name of Person Signing         </div> <div style="width: 30%; text-align: center;">             Signature         </div> <div style="width: 30%; text-align: right;">           August 19, 2005            Date         </div> </div>	
Total number of pages including coversheet, attachments and document: <b>17</b>	

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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.

August 19, 2005  
Date of Transmission

  
Signature

Jeanne Amour-Rice  
Typed Name of Person Signing Certificate

**PATENT**

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**ASSET PURCHASE AGREEMENT**

between

**PLASMA DRIVE CORPORATION**  
a Nevada corporation;

and

**PLASMA DRIVE, INC.,**  
a Delaware corporation

Dated as of March 9, 2005

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## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is entered into as of March 9, 2005, by and between PLASMA DRIVE CORPORATION, a Nevada corporation ("*Seller*") and PLASMA DRIVE, INC., a Delaware corporation ("*Buyer*"). Certain capitalized terms used in this Agreement are defined in EXHIBIT A.

### RECITALS

Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, substantially all of the assets of Seller on the terms set forth in this Agreement.

### AGREEMENT

The parties to this Agreement, intending to be legally bound, hereby agree as follows:

#### 1. SALE OF ASSETS; RELATED TRANSACTIONS.

1.1 **Sale of Assets.** Seller hereby sells, assigns, transfers, conveys and delivers to Buyer good and valid title to the Assets (as defined below), free of any Encumbrances, on the terms and subject to the conditions set forth in this Agreement. For purposes of this Agreement, "*Assets*" shall mean and include: (a) all of the properties, rights, interests and other tangible and intangible assets of Seller (wherever located and whether or not required to be reflected on a balance sheet prepared in accordance with GAAP); and (b) any other assets that are owned by any Related Party that are needed for the conduct of, or are useful in connection with, the business of Seller. Without limiting the generality of the foregoing, the Assets shall include the following:

- (a) all accounts receivable, notes receivable and other receivables of Seller, if any;
- (b) all inventories and work-in-progress of Seller, and all rights to collect (and to retain) from customers all fees and other amounts payable, or that may become payable, to Seller with respect to services performed on behalf of Seller on or prior to the Closing Date, if any;
- (c) all equipment, materials, prototypes, tools, supplies, vehicles, furniture, fixtures, improvements and other tangible assets of Seller;
- (d) all advertising and promotional materials possessed by Seller;
- (e) all Intellectual Property and Intellectual Property Rights and related goodwill of Seller (including the right to use the name "PlasmaDrive" and variations thereof);
- (f) all rights of Seller under Seller Contracts, if any;
- (g) all Governmental Authorizations held by Seller, if any;

(h) all claims (including claims for past infringement or misappropriation of Intellectual Property or Intellectual Property Rights) and causes of action of Seller against other Persons (regardless of whether or not such claims and causes of action have been asserted by Seller), and all rights of indemnity, warranty rights, rights of contribution, rights to refunds, rights of reimbursement and other rights of recovery possessed by Seller (regardless of whether such rights are currently exercisable); and

(i) all books, records, files and data of Seller.

Notwithstanding the foregoing, the transfer of the Assets pursuant to this Agreement shall not include the assumption of any Liability related to the Assets unless Buyer expressly assumes that Liability pursuant to Section 1.2(b) below.

## 1.2 Purchase Price.

(a) As consideration for the sale of the Assets to Buyer, at the Closing Buyer shall:

(i) pay to Seller 7,750,000 shares (as adjusted for stock splits, combinations, dividends and the like after the date of this Agreement) of the common stock of Buyer (the "*Shares*"); and

(ii) assume the Assumed Liabilities by delivering to Seller an Assignment and Assumption Agreement in substantially the form of EXHIBIT B (the "*Assumption Agreement*").

(b) For purposes of this Agreement "*Assumed Liabilities*" shall mean only the following liabilities of Seller:

(i) all accounts payable of Seller that remain unpaid as of the Closing Date; and

(ii) all liabilities of Seller that are reflected on Seller's balance sheet, dated as of March 1, 2005, attached hereto as EXHIBIT C (the "*Balance Sheet*");

*provided, however*, that notwithstanding the foregoing, and notwithstanding anything to the contrary contained in this Agreement, the "*Assumed Liabilities*" shall not include, and Buyer shall not be required to assume or to perform or discharge:

(1) any Liability of any Person other than Seller;

(2) any Liability of Seller arising from or relating to any action taken by Seller, or any failure on the part of Seller to take any action, at any time after the Closing Date;

(3) any Liability of Seller arising from or relating to (x) any services performed by Seller for any customer or (y) any claim or Proceeding against Seller;

(4) any Liability of Seller for the payment of any Tax, except as reflected in the Balance Sheet;

(5) any Liability of Seller to any employee or former employee of Seller under or with respect to any Seller Employee Plan, profit sharing plan or dental plan or for severance pay, except as reflected in the Balance Sheet;

(6) any Liability of Seller to any shareholder of Seller or any Related Party, except as reflected in the Balance Sheet;

(7) any Liability under any Contract if Seller shall not have obtained, prior to the Closing Date, any Consent required to be obtained from any Person with respect to the assignment or delegation to Buyer of any rights or obligations under such Contract;

(8) any other Liability that is not referred to specifically in clauses (i) and (ii) of this sentence.

**1.3 Sales Taxes.** Buyer shall bear and pay any sales taxes, use taxes, transfer taxes, documentary charges, recording fees or similar taxes, charges, fees or expenses that may become payable in connection with the sale of the Assets to Buyer or in connection with any of the other Transactions.

#### **1.4 Closing.**

(a) The closing of the sale of the Assets to Buyer (the "**Closing**") shall take place at the offices of Cooley Godward LLP in San Francisco, California, at 2:00 p.m. on the date hereof. For purposes of this Agreement, the "**Closing Date**" shall mean the time and date as of which the Closing actually takes place.

(b) At the Closing:

(i) Seller shall execute and deliver to Buyer such bills of sale, endorsements, assignments and other documents as may (in the reasonable judgment of Buyer or its counsel) be necessary or appropriate to assign, convey, transfer and deliver to Buyer good and valid title to the Assets free of any Encumbrances;

(ii) Buyer shall pay the consideration contemplated by Section 1.2(a)(i); and

(iii) Buyer and Seller shall execute and deliver to each other the Assumption Agreement.

## **2. REPRESENTATIONS AND WARRANTIES OF SELLER.**

Seller hereby represents and warrants to Buyer that all of the following statements are true, accurate and correct:

**2.1 Due Organization; No Subsidiaries; Etc.** Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada. Seller does not have any subsidiaries and does not own, beneficially or otherwise, any shares or other securities of, or any direct or indirect interest of any nature in, any other Entity. Seller has never conducted any business under or otherwise used, for any purpose or in any jurisdiction, any fictitious name, assumed name, trade name or other name, other than "PlasmaDrive Corporation."

**2.2 Authority; Binding Nature Of Agreements.** Seller has the absolute and unrestricted right, power and authority to enter into and perform its obligations under this Agreement, and the execution and delivery of this Agreement by Seller have been duly authorized by all necessary action on the part of Buyer, its board of directors and its shareholders. Seller has the absolute and unrestricted right, power and authority to enter into and perform its obligations under the Assumption Agreement, and the execution, delivery and performance of the Assumption Agreement by Seller have been duly authorized by all necessary action on the part of Buyer, its board of directors and its shareholders. This Agreement constitutes the legal, valid and binding obligation of Seller, enforceable against it in accordance with its terms. Upon the execution and delivery of the Assumption Agreement at the Closing, the Assumption Agreement will constitute the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with its terms.

**2.3 Title To Assets.** Seller owns, and has good and valid title to, all of the Assets free and clear of any Encumbrances. The Assets will collectively constitute, as of the Closing Date, all of the properties, rights, interests and other tangible and intangible assets necessary to enable Seller to conduct its business in the manner in which such business is currently being conducted and in the manner in which such business is proposed to be conducted. To the best of Seller's knowledge, Seller has not received any notice of infringement of its title to the Assets.

**2.4 No Conflict.** To Seller's knowledge, neither the execution and delivery of this Agreement nor the consummation of the Transactions do or will: (i) conflict with the articles of incorporation or bylaws of Seller; (ii) violate any order, writ, injunction or decree applicable to Seller; (iii) violate any provisions of laws, rules or regulations to which Seller is subject; (iv) violate, conflict with or result in any breach of or default under any mortgage, indenture, contract, agreement, license, permit, instrument or trust to which Seller is a party or by which its properties are bound; or (v) result in the creation or imposition of any Encumbrance of any kind Assets.

**2.5 Consents and Approvals.** To Seller's knowledge, Seller has obtained all necessary consents, approvals, orders or authorizations of, and has performed all necessary registrations, declarations or filings with any Governmental Body required by or with respect to Seller in connection with the execution and delivery of this Agreement by Seller or the consummation by Seller of the Transactions. To Seller's knowledge, Seller is conducting, and has conducted, its business and operations as it relates directly or indirectly to the Assets in compliance in all material respects with all governmental laws, rules and regulations applicable thereto and is not in violation or default in any material respect under any written or oral Governmental Authorization applicable to it or any of its properties or business as presently conducted or proposed to be conducted as it relates directly or indirectly to the Assets, including

without limitation any environmental laws, rules and regulations. To Seller's knowledge, Seller is not subject to any order or consent decree of any Governmental Body that relates in any way, directly or indirectly, to the Assets.

**2.6 Legal Proceedings.** To Seller's knowledge, there are no third party actions or claims pending against Seller in, by or before any Governmental Body with respect to the Assets. To Seller's knowledge, there are no other actions, suits, proceedings, claims or, to the knowledge of Seller, investigations pending against Seller, nor has Seller received notice of any of the foregoing, with respect to the transactions contemplated hereby or materially affecting the value of the Assets or which, if adversely determined, would prevent Seller from consummating the Transactions.

**2.7 Taxes.** To Seller's knowledge, prior to the Closing Date, there is no liability for any unpaid taxes with respect to the Assets. To Seller's knowledge, neither the Internal Revenue Service nor any other taxing authority has in the past asserted or is now asserting or, to the knowledge of Seller, is threatening to assert against Seller, any deficiency or claim for additional taxes (or penalties and interest associated therewith) relating to the Assets.

### **3. REPRESENTATIONS AND WARRANTIES OF BUYER.**

Buyer represents and warrants to Seller that all of the following statements are true, accurate and correct:

**3.1 Due Organization.** Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

**3.2 Authority; Binding Nature Of Agreements.** Buyer has the absolute and unrestricted right, power and authority to enter into and perform its obligations under this Agreement, and the execution and delivery of this Agreement by Buyer have been duly authorized by all necessary action on the part of Buyer and its board of directors. Buyer has the absolute and unrestricted right, power and authority to enter into and perform its obligations under the Assumption Agreement, and the execution, delivery and performance of the Assumption Agreement by Buyer have been duly authorized by all necessary action on the part of Buyer and its board of directors. This Agreement constitutes the legal, valid and binding obligation of Buyer, enforceable against it in accordance with its terms. Upon the execution and delivery of the Assumption Agreement at the Closing, the Assumption Agreement will constitute the legal, valid and binding obligations of Buyer, enforceable against Buyer in accordance with its terms.

**3.3 No Conflict.** To Buyer's knowledge, neither the execution and delivery of this Agreement nor the consummation of the Transactions do or will: (i) conflict with the certificate of incorporation or bylaws of Buyer; (ii) violate any order, writ, injunction or decree applicable to Buyer; (iii) violate any provisions of laws, rules or regulations to which Buyer is subject; or (iv) violate, conflict with or result in any breach of or default under any mortgage, indenture, contract, agreement, license, permit, instrument or trust to which Buyer is a party or by which its properties are bound.

#### 4. MISCELLANEOUS PROVISIONS.

**4.1 Further Assurances.** Each party hereto shall execute and/or cause to be delivered to each other party hereto such instruments and other documents, and shall take such other actions, as such other party may reasonably request (prior to, at or after the Closing) for the purpose of carrying out or evidencing any of the Transactions.

**4.2 Attorneys' Fees.** If any legal action or other legal proceeding relating to any of the Transactional Agreements or the enforcement of any provision of any of the Transactional Agreements is brought against any party to this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements (in addition to any other relief to which the prevailing party may be entitled).

**4.3 Notices.** Any notice or other communication required or permitted to be delivered to any party under this Agreement shall be in writing and shall be deemed properly delivered, given and received when delivered (by hand, by registered mail, by courier or express delivery service or by facsimile) to the address or facsimile telephone number set forth beneath the name of such party below (or to such other address or facsimile telephone number as such party shall have specified in a written notice given to the other parties hereto):

if to Seller: PlasmaDrive Corporation  
11824 Water Tank Road  
Burlington, WA 98233  
Facsimile: (360) 707-5333

if to Buyer: PlasmaDrive, Inc.  
11824 Water Tank Road  
Burlington, WA 98233  
Facsimile: (360) 707-5333

**4.4 Headings.** The underlined headings contained in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

**4.5 Counterparts.** This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement.

**4.6 Governing Law.** This Agreement shall be construed in accordance with, and governed in all respects by, the internal laws of the State of Delaware (without giving effect to principles of conflicts of laws).

#### **4.7 Successors And Assigns; Parties In Interest.**

(a) This Agreement shall be binding upon: Seller and its successors and assigns (if any) and Buyer and its successors and assigns (if any). This Agreement shall inure to



the benefit of Seller, Buyer and the respective successors and assigns (if any) of Seller and/or Buyer.

(b) None of the provisions of this Agreement is intended to provide any rights or remedies to any Person other than the parties to this Agreement and their respective successors and assigns (if any). Without limiting the generality of the foregoing, (i) no employee of Seller shall have any rights under this Agreement or under any of the other Transactional Agreements and (ii) no creditor of Seller shall have any rights under this Agreement or any of the other Transactional Agreements.

#### **4.8 Waiver.**

(a) No failure on the part of any Person to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any Person in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy.

(b) No Person shall be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such Person and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

**4.9 Amendments.** This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered on behalf of Buyer and Seller.

**4.10 Severability.** In the event that any provision of this Agreement, or the application of any such provision to any Person or set of circumstances, shall be determined to be invalid, unlawful, void or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to Persons or circumstances other than those as to which it is determined to be invalid, unlawful, void or unenforceable, shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

**4.11 Entire Agreement.** The Transactional Agreements set forth the entire understanding of the parties relating to the subject matter thereof and supersede all prior agreements and understandings among or between any of the parties relating to the subject matter thereof.

#### **4.12 Construction.**

(a) For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders.

(b) The parties hereto agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement.

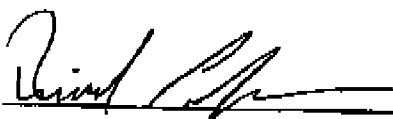
(c) As used in this Agreement, the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation."

(d) Except as otherwise indicated, all references in this Agreement to "Sections" and "Exhibits" are intended to refer to Sections of this Agreement and Exhibits to this Agreement.


The parties to this Agreement have caused this Agreement to be executed and delivered as of March 9, 2005.

**PLASMA DRIVE CORPORATION**

a Nevada corporation

By: Its: VICE PRESIDENT**PLASMA DRIVE, INC.,**

a Delaware corporation

By: Its: Chairman

**EXHIBIT A**  
**CERTAIN DEFINITIONS**

For purposes of the Agreement (including this Exhibit A):

**Agreement.** "Agreement" shall mean the Asset Purchase Agreement to which this Exhibit A is attached, as it may be amended from time to time.

**Breach.** There shall be deemed to be a "Breach" of a representation, warranty, covenant, obligation or other provision if there is or has been (a) any inaccuracy in or breach (including any inadvertent or innocent breach) of, or any failure (including any inadvertent failure) to comply with or perform, such representation, warranty, covenant, obligation or other provision, or (b) any claim (by any Person) or other circumstance that is inconsistent with such representation, warranty, covenant, obligation or other provision; and the term "Breach" shall be deemed to refer to any such inaccuracy, breach, failure, claim or circumstance.

**Consent.** "Consent" shall mean any approval, consent, ratification, permission, waiver or authorization (including any Governmental Authorization).

**Contract.** "Contract" shall mean any written, oral, implied or other agreement, contract, understanding, arrangement, instrument, note, guaranty, indemnity, representation, warranty, deed, assignment, power of attorney, certificate, purchase order, work order, insurance policy, benefit plan, commitment, covenant, assurance or undertaking of any nature.

**Encumbrance.** "Encumbrance" shall mean any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, equity, trust, equitable interest, claim, preference, right of possession, lease, tenancy, license, encroachment, covenant, infringement, interference, Order, proxy, option, right of first refusal, preemptive right, community property interest, legend, defect, impediment, exception, reservation, limitation, impairment, imperfection of title, condition or restriction of any nature (including any restriction on the transfer of any asset, any restriction on the receipt of any income derived from any asset, any restriction on the use of any asset and any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset).

**Entity.** "Entity" shall mean any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, cooperative, foundation, society, political party, union, company (including any limited liability company or joint stock company), firm or other enterprise, association, organization or entity.

**ERISA.** "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

**GAAP.** "GAAP" shall mean accounting principles generally accepted in the United States of America.

**Governmental Authorization.** "Governmental Authorization" shall mean any: (a) permit, license, certificate, franchise, concession, approval, consent, ratification, permission,

clearance, confirmation, endorsement, waiver, certification, designation, rating, registration, qualification or authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement; or (b) right under any Contract with any Governmental Body.

***Governmental Body.*** "Governmental Body" shall mean any: (a) nation, principality, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission, council, board, instrumentality, officer, official, representative, organization, unit, body or Entity and any court or other tribunal); (d) multi-national organization or body; or (e) individual, Entity or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing authority or power of any nature.

***Intellectual Property.*** "Intellectual Property" shall mean algorithms, APIs, apparatus, circuit designs and assemblies, gate arrays, IP cores, net lists, photomasks, semiconductor devices, test vectors, databases, data collections, diagrams, formulae, inventions (whether or not patentable), Know-How, logos, marks (including brand names, product names, logos, and slogans), methods, network configurations and architectures, processes, proprietary information, protocols, schematics, specifications, software, software code (in any form, including source code and executable or object code), subroutines, techniques, user interfaces, URLs, web sites, works of authorship and other forms of technology (whether or not embodied in any tangible form and including all tangible embodiments of the foregoing, such as instruction manuals, laboratory notebooks, prototypes, samples, studies and summaries).

***Intellectual Property Rights.*** "Intellectual Property Rights" shall mean all past, present, and future rights of the following types, which may exist or be created under the laws of any jurisdiction in the world: (A) rights associated with works of authorship, including exclusive exploitation rights, copyrights, moral rights and mask works; (B) trademark and trade name rights and similar rights; (C) trade secret rights; (D) patent and industrial property rights; (E) other proprietary rights in Intellectual Property; and (F) rights in or relating to registrations, renewals, extensions, combinations, divisions, and reissues of, and applications for, any of the rights referred to in clauses (A) through (E) above.

***Know-How.*** "Know-How" means all scientific, technical and engineering information which (i) Seller or controls or to which Seller has a license including the right of sublicense, (ii) Seller uses reasonable efforts to protect as a trade secret, (iii) is incorporated into or used in the design, development, manufacture, commercialization or use of any of Seller's products, and (iv) is not publicly known or available and is not the subject of a patent application.

***Legal Requirement.*** "Legal Requirement" shall mean any federal, state, local, municipal, foreign or other law, statute, legislation, constitution, principle of common law, resolution, ordinance, code, edict, decree, proclamation, treaty, convention, rule, regulation, ruling, directive, pronouncement, requirement, specification, determination, decision, opinion or

interpretation issued, enacted, adopted, passed, approved, promulgated, made, implemented or otherwise put into effect by or under the authority of any Governmental Body.

**Liability.** "Liability" shall mean any debt, obligation, duty or liability of any nature (including any unknown, undisclosed, unmatured, unaccrued, unasserted, contingent, indirect, conditional, implied, vicarious, derivative, joint, several or secondary liability), regardless of whether such debt, obligation, duty or liability would be required to be disclosed on a balance sheet prepared in accordance with GAAP and regardless of whether such debt, obligation, duty or liability is immediately due and payable.

**Order.** "Order" shall mean any: (a) order, judgment, injunction, edict, decree, ruling, pronouncement, determination, decision, opinion, verdict, sentence, subpoena, writ or award issued, made, entered, rendered or otherwise put into effect by or under the authority of any court, administrative agency or other Governmental Body or any arbitrator or arbitration panel; or (b) Contract with any Governmental Body entered into in connection with any Proceeding.

**Ordinary Course of Business.** An action taken by or on behalf of Seller shall not be deemed to have been taken in the "Ordinary Course of Business" unless:

(a) such action is recurring in nature, is consistent with the past practices of Seller and is taken in the ordinary course of the normal day-to-day operations of Seller;

(b) such action is taken in accordance with sound and prudent business practices;

(c) such action is not required to be authorized by the shareholders of Seller, the board of directors of Seller or any committee of the board of directors of Seller and does not require any other separate or special authorization of any nature; and

(d) such action is similar in nature and magnitude to actions customarily taken, without any separate or special authorization, in the ordinary course of the normal day-to-day operations of Comparable Entities.

**Person.** "Person" shall mean any individual, Entity or Governmental Body.

**Proceeding.** "Proceeding" shall mean any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding and any informal proceeding), prosecution, contest, hearing, inquiry, inquest, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Body or any arbitrator or arbitration panel.

**Registered IP.** "Registered IP" shall mean all Intellectual Property Rights that are registered, filed, or issued under the authority of, with or by any Governmental Body, including all patents, registered copyrights, registered mask works and registered trademarks and all applications for any of the foregoing.

**Related Party.** Each of the following shall be deemed to be a "Related Party": (a) each individual who is, or who has at any time been, an officer of Seller; (b) each member of the family of each of the individuals referred to in clause (a) above; and (c) any Entity (other than Seller) in which any one of the individuals referred to in clauses (a) and (b) above holds or held (or in which more than one of such individuals collectively hold or held), beneficially or otherwise, a controlling interest or a material voting, proprietary or equity interest.

**Seller Contract.** "Seller Contract" shall mean any Contract: (a) to which Seller is a party; (b) by which Seller or any of its assets is or may become bound or under which Seller has, or may become subject to, any obligation; or (c) under which Seller has or may acquire any right or interest.

**Seller Employee Plan.** "Seller Employee Plan" shall mean any plan, program, policy, practice, Contract or other arrangement providing for compensation, severance, termination pay, deferred compensation, performance awards, stock or stock-related awards, fringe benefits or other employee benefits or remuneration of any kind, whether written, unwritten or otherwise, funded or unfunded, including each "employee benefit plan," within the meaning of Section 3(3) of ERISA (whether or not ERISA is applicable to such plan), that is or has been maintained, contributed to, or required to be contributed to, by Seller for the benefit of any employee of Seller, or with respect to which Seller has or may have any liability or obligation.

**Tax.** "Tax" shall mean any tax (including any income tax, franchise tax, capital gains tax, estimated tax, gross receipts tax, value-added tax, surtax, excise tax, ad valorem tax, transfer tax, stamp tax, sales tax, use tax, property tax, business tax, occupation tax, inventory tax, occupancy tax, withholding tax or payroll tax), levy, assessment, tariff, impost, imposition, toll, duty (including any customs duty), deficiency or fee, and any related charge or amount (including any fine, penalty or interest), that is, has been or may in the future be (a) imposed, assessed or collected by or under the authority of any Governmental Body, or (b) payable pursuant to any tax-sharing agreement or similar Contract.

**Transactional Agreements.** "Transactional Agreements" shall mean: (a) the Agreement and (b) the Assumption Agreement.

**Transactions.** "Transactions" shall mean (a) the execution and delivery of the respective Transactional Agreements, and (b) all of the transactions contemplated by the respective Transactional Agreements, including: (i) the sale of the Assets by Seller to Buyer in accordance with the Agreement; (ii) the assumption of the Assumed Liabilities by Buyer pursuant to the Assumption Agreement; and (iii) the performance by Seller and Buyer of their respective obligations under the Transactional Agreements, and the exercise by Seller and Buyer of their respective rights under the Transactional Agreements.

**EXHIBIT B****ASSIGNMENT AND ASSUMPTION AGREEMENT**

**THIS ASSIGNMENT AND ASSUMPTION AGREEMENT** (the "**Agreement**") is made as of March 9, 2005 by and between PlasmaDrive Corporation, a Nevada Corporation ("**Seller**"), and PlasmaDrive, Inc., a Delaware corporation ("**Buyer**"). Seller and Buyer are parties to a certain Asset Purchase Agreement dated as of March 9, 2005 (the "**Asset Purchase Agreement**"). Capitalized terms used without definitions herein shall have the meanings ascribed to such terms in the Asset Purchase Agreement.

1. Seller hereby assigns to Buyer, and Buyer hereby assumes and agrees to pay, perform, discharge and bear all responsibility for, the Assumed Liabilities. It is expressly understood and agreed that Buyer is not assuming and will not in any way become or be liable for any other Liabilities.

2. Seller hereby grants, sells, assigns, transfers, conveys, assigns, releases and delivers unto Buyer all of its right, title and interest in and to the Assets.

3. This Agreement is subject to, and will be construed in accordance with, the Asset Purchase Agreement and, in the event a conflict between the provisions of this Agreement and the provisions of the Asset Purchase Agreement arises, the provisions of the Asset Purchase Agreement will prevail.

4. This Agreement will be construed in accordance with and governed by the laws of the State of Delaware (without giving effect to principles of conflicts of law). This Agreement may be executed in counterparts, each of which is an original, but all of which will constitute one instrument.

**IN WITNESS WHEREOF**, Seller and Buyer have caused this Assignment and Assumption Agreement to be executed on the date first written above.

**SELLER:**

PlasmaDrive Corporation

By: Its: VICE PRESIDENT**BUYER:**

PlasmaDrive, Inc.

By: Its: Chairman



**EXHIBIT C**  
**BALANCE SHEET**

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jq603!.DOC

Exhibit C

**RECORDED: 08/19/2005**

**PATENT**  
**REEL: 016652 FRAME: 0523**