

## PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
Mr. David A Thompson	07/17/2006
RECEIVING PARTY DATA	
Name:	Venmar CES, Inc.
Street Address:	2525 Wentz Avenue
City:	Saskatoon SK S7K 2K9
State/Country:	CANADA
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	6684649
CORRESPONDENCE DATA	
Fax Number:	(213)337-6701
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	2133376785
Email:	tmschmelzer@hhlaw.com
Correspondent Name:	Troy M Schmelzer
Address Line 1:	500 South Grand Avenue, Suite 1900
Address Line 2:	HOGAN & HARTSON LLP
Address Line 4:	LOS ANGELES, CALIFORNIA 90071
ATTORNEY DOCKET NUMBER:	26963.0001
NAME OF SUBMITTER:	Troy M. Schmelzer
Total Attachments: 28 source=269630001tr#page1.tif source=269630001assgn#page1.tif source=269630001assgn#page2.tif source=269630001assgn#page3.tif source=269630001assgn#page4.tif	

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RECORDATION FORM COVER LETTER  
**PATENTS ONLY**

Attorney Docket No.: 26963.0001

To the Assistant Commissioner for Patents: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

David A. Thompson

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

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

Venmar CES, Inc.  
2525 Wentz Avenue  
Saskatoon SK S7K 2K9  
Canada

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

3. Nature of conveyance:

☒ Assignment

Execution Date: July 17, 2006

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) 6,684,649

Additional numbers attached? ☐ Yes ☒ No

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

Troy M. Schmelzer, Esq.  
HOGAN & HARTSON L.L.P.  
500 South Grand Avenue, Suite 1900  
Los Angeles, CA 90071

6. Total number of applications and patents involved: [ 1 ]

7. Total fee (37 CFR 3.41) \$40.00

☐ Enclosed  
☒ Authorized to be charged to deposit account

8. Deposit account number:

50-1314

(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 is true and correct and any attached copy is a true copy of the original document.*



Troy M. Schmelzer

Date: August 25, 2006

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

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

**Mail Stop Assignment Recordation Services**  
**Director of the U.S. Patent and Trademark Office**  
**P.O. Box 1450**  
**Alexandria, VA 22313-1450**

## **AGREEMENT TO ASSIGN PATENTS**

THIS AGREEMENT, effective as of June 1, 2006 ("Effective Date"), is made by and between, Venmar CES Inc., a Canadian company ("Buyer"), and David A. Thompson, a United States citizen residing in the State of Michigan ("Seller").

### **RECITALS**

Each party acknowledges the following recitals of fact:

A. Seller is the named sole inventor on United States Patent No. 6,684,649 (hereafter "the '649 Patent") for "Enthalpy Pump". Seller is the sole and entire owner of the '649 patent and it is not subject to any licenses, liens or any other encumbrances of title.

B. Seller is also the sole and entire owner of pending Canadian Patent Application No. 2,390,682, the Canadian counterpart of the U.S. '649 Patent. Seller is the sole and entire owner of the Canadian '682 Application and it is not subject to any licenses, liens or any other encumbrances of title.

C. Buyer is a manufacturer of energy recovery ventilation systems heat transfer to air flows. Buyer is desirous of developing enthalpy pump systems that will incorporate at least one enthalpy pump covered by a claim of the '649 Patent and/or by a claim of any Canadian patent that issues in the Canadian '682 application (hereafter "the Patented Enthalpy Pump").

D. Buyer anticipates that it will require a development program of about two years from the Effective Date of this Agreement for Buyer to develop a commercially marketable enthalpy pump system incorporating the Patented Enthalpy Pump. Buyer expects to use the services of the University of Saskatchewan in the development program. Sales of Buyer's enthalpy pump systems using the Patented Enthalpy Pump will not be available for commercial sale until after the successful completion of the development period.

E. Buyer wishes to purchase and Seller wishes to sell the '649 Patent and the pending Canadian '682 Application and any patent issuing thereon in accordance with the terms of the following agreement.

## **AGREEMENT**

Therefore, the parties hereto agree as follows:

### **SECTION 1 DEFINITIONS**

As used in this Agreement, the following terms shall be deemed to have the following meanings:

**1.1 "Patented Enthalpy Pump"** shall mean an enthalpy pump which, if made, used or sold in the U.S.A., is covered by at least one claim of the '649 patent and, if made, used or sold in Canada, is covered by at least one allowed claim of the Canadian '682 application.

**1.2 "Enthalpy Pump System"** shall mean any enthalpy pump assembled with associated components, that is sold by Buyer as a functional entity. The associated components include, but are not limited to, hoods with or without integral filters or fans, integrated liquid or air heaters, integrated liquid or air coolers, liquid to liquid heat exchangers, liquid valves, electrical components including controls with stats and sensors, factory piping, and all other components of any enthalpy pump system supplied to Buyer to its customers.

**1.3 "Royalty Product(s)"** shall mean an Enthalpy Pump System incorporating at least one Patented Enthalpy Pump. Buyer agrees that components identified in Section 1.2 of the Agreement used with the Patented Enthalpy Pump constitute conveyed products also subject to the agreed-on rate of three percent (3%) set forth in Paragraph 3.1B of this Agreement. "Royalty Product" excludes, however, any extraneous air handling equipment components or other tangible personal property capable of being used in conjunction with the "Royalty Product", or any other refrigeration, filtration, secondary heating system, or other components or equipment not required for the functioning of the Enthalpy Pump System.

**1.4 "Net Sales"** means all gross revenue derived through Buyer from sales of Royalty Products during each calendar quarter. Net Sales excludes the following items (but only as they pertain to the making, using, importing or selling of Royalty Products, are included in gross revenue, and are separately billed): (a) import, export, excise and sales taxes, and custom duties; (b) costs of insurance, packing, and transportation from the place of manufacture to the customer's premises or point of installation; (c) costs of installation at the place of use; and (d) credit for returns, allowances, or trades.

## **SECTION 2**

### **ASSIGNMENT, TERMINATION AND REVERSION**

**2.1 Seller's Agreement to Assign:** Seller hereby assigns to Buyer, as of the Effective Date of this Agreement, his U.S. '649 patent and his Canadian '682 patent application, including any divisions, continuations, continuations-in-part, substitute applications, reissues, reexaminations, and extensions thereof and any subsequently-filed further foreign counterpart patent applications and foreign patents, and the inventions embodied therein and any patent or patent application on any improvements to the Patented Enthalpy Pump, in consideration for the payment and royalties set forth in Section 3 of this Agreement. Such Assignment is of the Seller's entire right, title and interest subject to the right of reversion set forth hereinafter in Section 2.3 of this Agreement. Seller agrees that the assignment provides Buyer, *inter alia*, with the rights to file suit in its own name against infringers without joining Seller and to recover and retain all damages extending back to the time that any infringement(s) commenced and to license others under the patent rights and settle litigation, all without consulting Seller or further payment to it. Seller further agrees that it will execute a recordable form of assignment of its patent rights, for public recording, in the form attached hereto as Exhibit A.

**2.2 Termination:** This Agreement shall remain in force in the United States until the expiration of the last patent claim of the '649 Patent, and in Canada until the expiration of the last patent claim of any patent issuing on the Canadian counterpart patent Application, unless terminated earlier for any of the following reasons:

**A. Material Breach:** Seller must provide a thirty (30) day written notice to Buyer of any material breach in the observance or performance of any of the following obligations of Buyer. Breach termination shall be effective at the end of such notice period, provided that the Buyer shall not have cured such breach. Material breach items are considered to be as follows:

- Failure to make the payments as set forth in Section 3;
- Noncompliance with Section 6 regarding assignability;
- Noncompliance with Sections 8.1 or 8.2.

**B. Bankruptcy or Insolvency of the Buyer:** Upon the effective date of any form of bankruptcy in the U.S., its Canadian equivalent, or knowledge of Buyer's Insolvency. Buyer shall promptly give notice to the Seller of and upon commencement of any voluntary or involuntary bankruptcy or any Canadian equivalent proceeding.

Buyer shall have thirty (30) days to cure or termination shall be effective at the end of such period.

**2.3 Reversion of Title on Termination:** In the event of termination of the Agreement, the assignment shall be automatically revoked and title to all the patents and patent applications shall revert from Buyer to Seller. In such event, Buyer agrees to cooperate in executing a recordable form of assignment assigning title to the patents and patent applications back to Seller. Seller shall have responsibility for preparing such assignment, submitting same to Buyer for execution, and for submission to the U.S. Patent and Trademark Office and to the Canadian equivalent for recording.

### **SECTION 3 ROYALTIES AND CAP**

**Royalty Payments.** In consideration for Seller's assignment of the above-identified U.S. and Canadian patents and patent applications, and any foreign counterpart patents and patent applications in countries other than in Canada, Patents to Buyer, Buyer agrees to pay to Seller the following:

**A.** Payments in the amount of three percent (3%) of Net Sales by Buyer or by any entity Buyer has an interest in, ownership of or is associated with. Royalty Payments begin with the first sold Royalty Product. Royalty Payments shall be paid by Buyer within thirty (30) days after the end of each calendar quarter.

**B.** There shall be a lifetime cap of \$2,000,000 on aggregate royalty payments. After Buyer's aggregate royalty payments have reached \$2,000,000, Buyer shall have no further obligation to make any royalty payments and Sections 2.3 and 8.2 shall cease to be in force.

### **SECTION 4 PATENT MAINTENANCE, FOREIGN PATENT RIGHTS**

**U.S. And Canadian Patents and Applications.** The Buyer further agrees to perform all obligations and pay all fees necessary to keep the U.S. '649 patent and Seller's counterpart Canadian patent(s), after issuance thereof, in full force and effect until the expiration of the last to expire or the Termination of this Agreement. Buyer also agrees to pay all fees and expenses for the prosecution of the Canadian patent application(s) incurred after the Effective Date.

## **SECTION 5 CONFIDENTIALITY AND TAXES**

**5.1 Confidentiality.** Any information provided between Buyer and Seller shall be treated as confidential and proprietary information by both parties. Neither shall disclose any information provided between themselves or provided by official members of the development team, to any outside "third" party, (except professionals bound by a legally enforceable obligation of confidentiality), or, in the case of the Buyer, to those officials, agents, consultants and employees of the University of Saskatchewan having a need to know such information and insofar as such persons are bound by a nondisclosure agreement consistent with this Agreement, or use such information except as agreed to in writing by both parties. The obligations of this Section shall survive termination of this Agreement.

**5.2 Taxes.** Each party shall have sole responsibility for payment of any taxes, U.S. or Canadian or any foreign jurisdiction, for which it is liable to the taxing authority.

## **SECTION 6 ASSIGNABILITY**

**6.1** This Agreement and the rights and obligations hereunder may not be assigned by any party without the express written consent of the other party. Notwithstanding the foregoing, no assignment of the rights granted under this Agreement shall be effective without the consent of both parties. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, permitted assigns, or receivers in bankruptcy, permitted successors by merger, or permitted purchasers of assets or otherwise.

## **SECTION 7 NOTICE**

Any notice or other communication required or permitted pursuant to this Agreement shall be deemed for all purposes to be sufficiently given if sent by first-class mail, UPS, FedEx, or similar nationally recognized carrier, postage prepaid, addressed to the receiving party as follows:

If to Seller:	David & Donna Thompson 7709 West Q Ave Kalamazoo, Michigan 49009
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If to Buyer: Maury Wawryk  
Vice President & General Manager  
Venmar CES Inc.  
2525 Wentz Avenue  
Saskatoon SK S7K 2K9 CANADA

With a Copy to: Andrew W. Prete, Esq.  
Senior Legal Counsel  
Nortek, Inc.  
50 Kennedy Plaza  
Providence, R.I. 02903

### **SECTION 8 DEVELOPMENT, MARKETING AND ENCUMBRANCES**

**8.1 Development.** Buyer shall have the unqualified right, at any time, to cease or suspend efforts to research and develop the Royalty Products. Notwithstanding the foregoing, Buyer's failure to do so for a period of one-quarter (.25) years shall be deemed a material breach of this Agreement. Section 8.1 will only be in full force and effect until production of Royalty Products begins.

**8.2 Marketing.** Buyer shall have the unqualified right, at any time to cease or suspend efforts to market Royalty Products. Notwithstanding the foregoing, Buyer's failure to do so for a period of one-quarter (.25) years shall be deemed a material breach of this Agreement. Section 8.3 will only be in full force and effect after production of Royalty Products begins.

**8.3 Liens or Encumbrances:** The benefits and obligations of any licenses or encumbrances of the patents and patent applications granted by Buyer to third parties shall pass to Seller in the event of reversion under Section 2.3.

**8.4 Division of Proceeds from Licensing:** In the event of infringement of any of the licensed patents by a third party, or a request for license from a third party, Buyer shall have the power to grant a license under the Patent(s) on terms solely determined by Buyer but that are not more favorable to the licensee than the terms under which Buyer has received its rights under this Agreement. Buyer agrees to pay Seller 5% of the net receipts from any such license. In computing net receipts, Buyer shall be entitled to first deduct from the gross license receipts, received by Buyer from the licensee, all legal fees and costs which Buyer has incurred in negotiating with, and/or litigating against, the licensee.

## **SECTION 9 ARBITRATION**

**9.1** All disputes arising out of this Agreement, its interpretation, performance or breach may be submitted to arbitration pursuant to *The Arbitration Act, 1992* (Saskatchewan).

**9.2** There shall be three (3) arbitrators.

**9.3** The party demanding arbitration shall inform, in writing, the other party of the name of its arbitrator and the issue to be arbitrated and the party receiving the demand shall within seven (7) days thereafter name its arbitrator and so advise the other in writing. The two (2) arbitrators so designated shall choose a third arbitrator as chairperson within fifteen (15) days of the last of their respective appointments. In the event the party receiving the demand for arbitration fails to name an arbitrator within the time specified, then an arbitrator may be named by a Judge of the Court of Queen's Bench for Saskatchewan as provided in *The Arbitration Act, 1992* (Saskatchewan) and in the event the two (2) arbitrators named shall fail to name a third arbitrator, then similarly a Judge of a Court of a competent jurisdiction may name the third arbitrator.

**9.4** An award made by two (2) of the three (3) arbitrators shall be final and binding on all parties. The arbitrators shall determine their own rules and procedures and the rules of evidence that they shall follow.

**9.5** Issues of patent law concerning the '649 patent shall be governed by the U.S. patent laws and regulations and case law. Issues of patent law concerning any Canadian counterpart patent shall be governed by the Canadian patent law and regulations and Canadian case law. All other issues of law, including the procedure of the arbitration, shall be governed by the law of Saskatchewan.

## **SECTION 10 MISCELLANEOUS**

**10.1 Product Disposition.** Upon the termination of this Agreement for any reason, Buyer shall have the right to dispose of all Royalty Products then on hand, including work in process but periodic royalty payments which would otherwise be payable pursuant to this Agreement had such termination not become effective shall be paid with respect to all such Royalty Products when sold as though this Agreement had not been terminated.

**10.2 No Oral Agreements.** The Parties have made no oral agreements or otherwise concerning the subject matter hereof that would supersede or

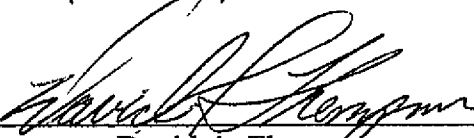
modify this Agreement. No variation or modification of the terms of this Agreement nor any waiver of any of the terms or provisions hereof shall be valid unless in writing and signed by an authorized representative of each party.

**10.3 Severability.** This Agreement is subject to the restrictions, limitations, terms and conditions of all applicable governmental regulations, approvals and clearances. If any term or provision of this Agreement is held invalid, illegal or unenforceable in any respect for any reason, that invalidity, illegality or unenforceability shall not affect any other term or provision hereof, and this Agreement shall be interpreted and construed as if such term or provision, to the extent the same shall have been held to be invalid, illegal or unenforceable, had never been contained herein.

**10.4 Waiver.** Failure by either Party to enforce any rights under this Agreement shall not be construed as a waiver of such rights nor shall a waiver by either Party in one or more instances be construed as constituting a continuing waiver or as a waiver in other instances.

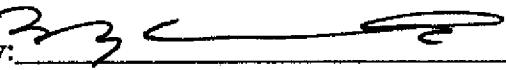
The parties execute this Agreement effective on the date and year first written above.

SELLER (Individual):

By:   
David A. Thompson

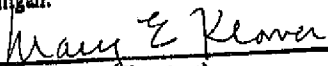
Date: 7/17/06

BUYER (Venmar CES, Inc.):

By:   
Maury Wawryk  
Vice President & General Manager

Date: 7/19/06

Subscribed and sworn before me, this 17<sup>th</sup>  
day of July, 2006, a Notary Public  
in and for Kalamazoo County,  
Michigan.

  
(Signature)  
NOTARY PUBLIC  
My Commission expires July 14, 2008

MARY E. KLAVER  
NOTARY PUBLIC KALAMAZOO CO., MI  
MY COMMISSION EXPIRES Jul 14, 2008

## **PATENT ASSIGNMENT**

This PATENT ASSIGNMENT is dated as of June 1, 2006 between David A. Thompson, an individual resident in Kalamazoo, Michigan ("Assignor") and Venmar CES Inc., a Canadian company, having an office in Saskatoon, Saskatchewan, Canada ("Assignee").

### **RECITALS**

A. Assignor is the sole inventor named on United States Patent No. 6,684,649 for "Enthalpy pump" and is the sole owner of the entire right, title and interest to the patent;

B. Assignee is also the sole owner of the entire right, title and interest to a counterpart application to the '649 patent filed in Canada as Canadian Patent Application No. 2,390,682;

### **ASSIGNMENT**

NOW, THEREFORE, in return for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignment. Assignor hereby assigns, conveys and transfers to Assignee all right, title and interest in U.S. patent 6,684,649 and to all divisions, continuations, continuations-in-part, substitute applications, reissues, reexaminations and extensions thereof, and foreign counterpart patent application (including Canadian patent application No. 2,390,682) and all inventions embodied therein, for Assignee's own use and enjoyment, and for the use and enjoyment of Assignee's successors, assigns or other legal representative, together with all income, royalties, or payments due or payable as of the effective date of this assignment or thereafter, including, without limitation all claims for damages by reason of past, present, or future infringement or other unauthorized use of the patent with the right to sue for and collect the same for Assignee's own use and enjoyment, and for the use and enjoyment of its successors, assigns, or other legal representatives.

2. Authorization to Record. Assignor authorizes and requests the Commissioner of Patents and Trademarks, or any other official whose duty is to record ownership of patents in the United States, to record the Assignee as the owner of the '649 patent. Assignor also authorizes and requests the official

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### **EXHIBIT A**

whose duty is to record ownership of patents in the applicable jurisdictions, to record the assignee as the owner of any Canadian patent issuing from the Canadian Application No. 2,390,682.

IN WITNESS WHEREOF, the parties have duly executed this assignment as of the date first written above.

Subscribed and sworn before me, this 17<sup>th</sup>  
day of July, 2006, a Notary Public  
in and for Kalamazoo County,  
Michigan.

Mary E. Klaver  
(Signature)  
NOTARY PUBLIC  
My Commission expires July 14, 2008.

MARY E. KLAVER  
NOTARY PUBLIC KALAMAZOO CO., MI  
MY COMMISSION EXPIRES JUL 14, 2008

ASSIGNOR:

David A. Thompson  
David A. Thompson

ASSIGNEE:

VENMAR CES INC.

By:

Maury Wawryk  
Name: MAURY WAWRYK

Title: VICE PRESIDENT & GENERAL MANAGER

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EXHIBIT A

## **CONSULTING AGREEMENT**

THIS AGREEMENT MADE EFFECTIVE THE 1<sup>ST</sup> DAY OF JUNE, 2006.

BETWEEN:

**VENMAR CES, INC.,**

a corporation incorporated under the laws of the Province of Saskatchewan,

(“Venmar CES”)

AND:

**DAVID THOMPSON,**

an individual residing in the City of Kalamazoo, in the State of Michigan,  
in the United States of America,

(the “Consultant”)

**WHEREAS:**

1. Venmar CES and its Related Entities carry on business as manufacturers and developers of energy recovery ventilation systems and activities ancillary thereto (the “Business”);
2. The Consultant is the developer of a certain Enthalpy Pump invention and technology (the “Pump”), which Pump is patented under United States Patent No. 6,684,649, filed February 4<sup>th</sup>, 2000, and is patent-pending in Canada pursuant to Patent Application No. 2,390,682, which is being processed under File No. PAT 52259W-1 (the “Patents”).
3. Venmar CES has purchased the Patents and Venmar CES and its Related Entities intend to develop products using the Pump;
4. Venmar CES wishes to engage the Consultant to provide research and development services and related testing and support services to Venmar CES and its Related Entities both in relation to the Pump and in relation to other projects as determined by Venmar CES from time to time (the “Services”) and the Consultant has agreed to accept such engagement;
5. Venmar CES and the Consultant wish to enter into this Agreement in order to define the ongoing terms and conditions that will govern their relationship, as well as their respective rights and obligations as between themselves;

**NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:**

**1. INTERPRETATION**

1.1 In this Agreement the following words and phrases will have the following meanings unless the context otherwise requires:

- (a) "Business Opportunities" means potential business ventures of all kinds, including acquisitions, sales, business arrangements and other transactions and opportunities for new markets, products and services which have been disclosed to, investigated, studied or considered by Venmar CES, Venmar CES's Related Entities or Venmar CES's clients or by others on behalf of Venmar CES;
- (b) "CES Group" means CES Group, Inc., a Delaware corporation.
- (c) "Client Information" means any and all information about or relating to the business of any actual or potential client or customer of Venmar CES and Related Entities and which may be made known to the Consultant by Venmar CES, or by any client or customer of Venmar CES or learned or developed by the Consultant during the period of the Consultant's performance of consulting services for Venmar CES;
- (d) "Confidential Information" is information known or used by Venmar CES or Venmar CES's Related Entities in connection with the Business:
  - (i) that derives economic value, actual or potential, from not being generally known to, and is not readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and
  - (ii) is the subject of efforts that are reasonable under the circumstances to maintain its confidential nature;

and includes any trade secret, formula, design, prototype, compilation of information, data, program, method, technique, process, information relating to any product, device, equipment, machine, Customer Information, Client Information, Financial Information, Marketing Information, Works, Business Opportunities, or Research and Development, but does not include any of the foregoing which was known to the Consultant before the Consultant's engagement by Venmar CES or which is or becomes a matter of Public Knowledge;

- (e) "Customer Information" means information about the customers, customer base and markets of Venmar CES and its Related Entities, including customer names and addresses, the names of employees of customers with whom Venmar CES, or a Related Entity, is in contact in its business, customer requirements and contracts with the customers of Venmar CES or a Related Entity, including details about pricing and supply;

- (f) "Financial Information" means information about the financial state of Venmar CES or a Related Entity, including expenses, sales, income, profit, pricing, salaries and wages, and projections for the aforesaid information;
- (g) "Intellectual Property Rights" means any and all legal protection recognized by the law (whether by statute, common law or otherwise) in respect of the Works, including trade secret and confidential information protection, patents, copyright and copyright registration, industrial design registration and trade-marks and trade-mark registrations and other registrations or grants of rights analogous thereto, including, without limitation, any and all additional patents or patent application in respect of the Pump other than the Patents;
- (h) "Marketing Information" means information including marketing programs, plans, strategies and proposed future products, services, advertising and promotion of Venmar CES or a Related Entity;
- (i) "Public Knowledge" means information that is generally known in the business in which Venmar CES is engaged or is otherwise accessible through lawful, non-confidential sources;
- (j) "Related Entities" includes all shareholders, subsidiaries, and affiliates, of CES Group, including, but not limited to, CleanPak International, Inc., Eaton Williams Group Ltd., Governair Corporation, Huntair, Inc., Webco, Inc, Mammoth, Inc., Shanghai Mammoth Air Conditioning Co., Ltd, Mammoth (Zhejiang) EG Air Conditioning, Ltd., Temtrol, Inc., Ventrol Air Handling Systems, Inc., and Venmar CES, Inc.;
- (k) "Research and Development" means information about any research, development, investigation, study, analysis, experiment or test carried out or proposed to be carried out by Venmar CES or a Related Entity;
- (l) "Venmar CES Facilities" means either of Venmar CES's two manufacturing facilities located in Saskatoon, Saskatchewan, Canada, and St.-Leonard-d'Aston, Quebec, Canada or the facilities of any Related Entity wherever situate; and
- (m) "Works" include inventions, discoveries, designs, ideas, works, creations, developments, algorithms, drawings, compilations of information, analysis, experiments, data, reports, know-how, formulas, methods, processes, techniques, moulds, prototypes, products, samples, equipment, tools, machines, software and documentation therefor, flow-charts, specifications and source code listings; and includes any modifications or improvements thereto, whether patentable or not, which are conceived, developed, created, generated or reduced to practice by the Consultant (whether alone or with others), during the Consultant's engagement by Venmar CES or which result from tasks assigned to the Consultant by Venmar CES or which result from the use of the premises and property (including equipment,



supplies or Confidential Information) owned, leased or licensed by Venmar CES or any Related Entity.

**2. APPOINTMENT OF CONSULTANT**

- 2.1 Venmar CES hereby appoints the Consultant to act as a consultant to Venmar CES, and its Related Entities, in connection with the Business.

**3. TERM**

- 3.1 The Consultant's engagement pursuant to this Agreement shall commence on June 1<sup>st</sup>, 2006, and shall terminate on May 31<sup>st</sup>, 2011 (the "Term"), unless renewed by mutual agreement in writing prior to this date.
- 3.2 This Agreement may be terminated in accordance with the provisions of Article 6.

**4. TERMS OF CONSULTANCY**

- 4.1 The Consultant shall perform the duties and responsibilities reasonably determined by Venmar CES from time to time, including those set in Schedule "A" to this Agreement.
- 4.2 Without limiting the generality of Article 4.2, and in addition to any duty, obligation or responsibility set out in this Agreement, the Consultant shall perform such other specific duties and responsibilities, which are consistent with this Agreement, as may be delegated to the Consultant from time to time by Venmar CES, including providing the Services and performing such other specific duties and responsibilities for the benefit of any Related Entity of Venmar CES as Venmar CES may determine from time to time.
- 4.3 The Consultant shall faithfully, honestly and diligently carry out the Consultant's duties and responsibilities to the best of the Consultant's ability and devote the Consultant's best efforts for and on behalf of Venmar CES.
- 4.4 The Consultant shall protect the interests of Venmar CES, the Related Entities and the Business to the best of the Consultant's ability and judgment in a manner consistent with the best standards prevailing in similar businesses in Canada and the United States.
- 4.5 The Annual Consulting Fee (as hereinafter defined) has been based upon an estimate that the Consultant will not be required to devote, or be available, to Venmar CES, or its Related Entities, for more than one thousand and forty (1040) hours per calendar year. The Consultant shall report bi-weekly to Venmar CES the hours worked by the Consultant on behalf of Venmar CES or any Related Entity in the preceding two-week period.
- 4.6 The parties hereto acknowledge and agree that the Consultant may, in his sole discretion, be engaged by, enter into the service of or be employed by any other person, firm or

corporation other than Venmar CES or may be engaged in any business, enterprise or undertakings other than his engagement hereunder provided that:

- (a) the Consultant has provided Venmar CES with 30 days' written notice of intent to be engaged by, enter into the service of or be employed in any capacity by any other person, firm, or corporation other than Venmar CES or to be engaged in any business, enterprise or undertakings other than his engagement hereunder;
- (b) such engagement, service, engagement, business, enterprise or undertaking neither interferes with, nor derogates from, the time and attention that the Consultant has covenanted to provide to Venmar CES pursuant to this Article 4.7 hereof; and
- (c) such service, engagement, business, enterprise or undertaking shall not cause a breach of Article 7 hereof.

4.7 The Consultant will provide all materials and equipment necessary for Consultant to perform the Services, including office space, computer hardware and software, Internet access and transportation, and subject to Article 5.3(c) hereof, shall be responsible for payment of its own expenses in delivery of the Services.

4.8 Without limiting the generality of Article 4.8, the parties hereto agree that to the fullest extent possible the Services will be performed from the Consultant's office in Kalamazoo, Michigan, provided, however, that Venmar CES shall retain the right to require the Consultant to attend, and perform such Services, at the Venmar CES Facilities or such other location in Canada or the United States as Venmar CES or any Related Entity may determine from time to time, in which event the Consultant shall be compensated by Venmar CES in accordance with Article 5.3 hereof.

4.9 Venmar CES will evaluate from time to time the delivery of the Services by the Consultant. In the event that Venmar CES determines that it is dissatisfied with the delivery of the Services by the Consultant, Venmar CES shall so advise the Consultant, in writing, providing particulars of the specific concerns of Venmar CES, and the Consultant will promptly address any such concerns in the delivery of the Services.

4.10 The Consultant has no authority to borrow money upon the name or credit of Venmar CES nor pledge the credit of Venmar CES nor otherwise bind Venmar CES in any way.

4.11 The Consultant will maintain a procedure of copying or otherwise placing all of the Consultant's work on storable media to ensure that all such work is backed up in the case of any loss or damage to the original work.

## **5. COMPENSATION**

5.1 As compensation for performance of the Services hereunder, Venmar CES shall pay to the Consultant a consulting fee of US\$65,000.00 per year (the "Annual Consulting Fee"),

being the aggregate of US\$520.00 per diem (the "Per Diem Fee"), which Per Diem Fee has been calculated on the basis of the Consultant providing One Thousand Forty (1,040) hours of service to Venmar CES in any calendar year during the Term.

- 5.2 Subject to Article 5.4 hereof, the Annual Consulting Fee shall be paid to the Consultant in two-week increments throughout the Term in the amount of US\$2,500.00 (the "Bi-Weekly Fee").
- 5.3 The parties agree that this Agreement does not create a relationship of employer and employee as between Venmar CES and the Consultant and it is understood and agreed that Venmar CES will not deduct from the Annual Consulting Fee any US Federal Income Tax, Michigan Income Tax and FICA Tax (Social Security and MediCare) or any other US statutory deductions whatsoever, all of which shall be the sole and absolute responsibility of the Consultant to remit as appropriate.
- 5.4 In the event that, pursuant to Article 4.8 hereof, the Consultant is required to attend and perform the Services at the Venmar CES Facilities, or such other location in Canada as Venmar CES may determine from time to time, Venmar CES shall, in respect of such period of time:
- (a) pay to the Consultant the aggregate Per Diem Fee, less all deductions as required by Canadian law;
  - (b) deduct the aggregate Per Diem Fee so paid to the Consultant from the Bi-Weekly Fee otherwise payable in respect of such period; and
  - (c) upon receipt and prior approval by Venmar CES of an itemized statement of expenses, with vouchers or receipts evidencing payment of such expenses, reimburse the Consultant for all necessary travel, subsistence and other expenses reasonably and properly incurred by the Consultant in attending and performing the Services at the Venmar CES Facilities. Venmar CES will reimburse the Consultant for such pre-approved expenses within a reasonable period of time after such itemized statement being submitted and approved.
- 5.5 Venmar CES acknowledges that it will be obligated to pay Goods and Services Tax on the Per Diem Fee payments made to the Consultant pursuant to this Article 5.4 hereof and the Consultant acknowledges that he will be obligated to collect that Goods and Services Tax and remit it to Her Majesty The Queen in Right of Canada. The Consultant agrees that he will, if required, register under Part IX of the *Excise Tax Act* (Canada) and provide his registration number to Venmar CES.

## **6. TERMINATION**

- 6.1 The Consultant must provide a thirty (30) day written notice to Venmar CES of any material breach in the observance or performance of any of the following obligations of Venmar CES. Termination by the Consultant for material breach by Venmar CES shall be effective

at the end of such notice period, provided that Venmar CES shall not have cured such breach. Material breach items of Venmar CES are considered to be as follows:

- (a) failure to make payments as set forth in Article 5; and
- (b) Venmar CES committing an act of insolvency, making an assignment into, or being petitioned into, bankruptcy, making a proposal under the provisions of the *Bankruptcy and Insolvency Act* (Canada), being placed into receivership, or having a substantial portion of its assets seized by secured or judgment creditors;

6.2 Venmar CES must provide a thirty (30) day written notice to the Consultant of any material breach in the observance or performance of any of the following obligations of the Consultant. Termination by Venmar CES for material breach by the Consultant shall be effective at the end of such notice period, provided that the Consultant shall not have cured such breach. Material Breach items are considered to be as follows:

- (a) Noncompliance with Article 4 regarding the terms of the consultancy;
- (b) Noncompliance with Article 7 regarding non-competition and non-solicitation;
- (c) Noncompliance with Article 8 regarding confidential information;
- (d) Noncompliance with proprietary rights.

6.3 Notwithstanding Article 6.2 hereof, Venmar CES may, in its sole discretion and for any reason, terminate this Agreement at any time. If Venmar CES terminates this Agreement, outside of the provisions of Article 6.2 hereof, then Venmar CES will be required to continue to pay the Consultant the Annual Consulting Fee pursuant to Article 5.1. If Venmar CES terminates this Agreement relying upon the provisions of Article 6.2 hereof, then Venmar CES will not be required to continue to pay the Consultant the Annual Consulting Fee pursuant to Article 5.1.

6.4 The Consultant's rights and obligations pursuant to Articles 7 and 8 will survive the termination or expiry of this Agreement and will be binding upon Consultant's heirs, executors and administrators.

6.5 The Consultant's rights and obligations in Article 9 with respect to Works created during the provision of the Services will survive the termination or expiry of this Agreement and will be binding upon the Consultant's heirs, executors and administrators.

6.6 Upon the termination or expiry of this Agreement, the Consultant will forthwith execute and deliver to Venmar CES a Termination Certificate in the form attached as Schedule "B".

## **7. NON-COMPETITION AND NON-SOLICITATION**

7.1 The Consultant will not, during the Term or for a period of five (5) years after the

termination or expiry of this Agreement, within Canada and the United States, directly or indirectly, in any capacity whatsoever, alone or in association with any other person, firm, partnership, association or corporation, or as employee, consultant, contractor, partner, principal, agent, proprietor, officer, director or stockholder (other than the holding of shares listed on a public stock exchange that does not exceed 2% of the outstanding shares so listed) of any other person, firm, partnership, association or corporation, be engaged in or be financially interested in any commercial activity competitive to Venmar CES without the written consent of Venmar CES and without first entering into a written agreement with Venmar CES acceptable to Venmar CES.

- 7.2 The Consultant will not, during the Term or for a period of five (5) years after the termination of this Agreement, directly or indirectly, in any capacity whatsoever, alone or in association with any other person, firm, partnership, association or corporation, or as employee, consultant, contractor, partner, principal, agent, proprietor, officer, director or stockholder of any other person, firm, partnership, association or corporation:
- (a) solicit or aid in the solicitation of any customers or clients of Venmar CES or any Related Entity;
  - (b) hire any employees of or consultants or contractors to Venmar CES or any Related Entity; and
  - (c) solicit or induce or attempt to induce any persons who were employees of or consultants or contractors to Venmar CES or any Related Entity at the time of such termination or during the period of 90 days immediately preceding such termination, to terminate their engagement, consulting agreement or contract for services with Venmar CES or such Related Entity.

## **8. CONFIDENTIAL INFORMATION**

- 8.1 The Consultant acknowledges that Venmar CES and its Related Entities are engaged in a continuous program of research, development and production with respect to the Business and fields generally related to the Business.
- 8.2 At all times during and subsequent to the termination or expiry of this Agreement, the Consultant will receive and keep the Confidential Information in the strictest of confidence and trust.
- 8.3 The Consultant will take all necessary precautions against unauthorized disclosure of the Confidential Information and will not directly or indirectly disclose, allow access to, transmit or transfer the Confidential Information to any third party and will not copy or reproduce the Confidential Information or store the Confidential Information on any form of media, except with the written consent of Venmar CES or except as may be reasonably required for the Consultant to perform the Services. When requesting consent to disclose Confidential Information, the Consultant will provide to Venmar CES, in writing, the name and addresses of all third parties, including all employees thereof, to whom the Consultant

wishes to disclose Confidential Information.

- 8.4 At all times during and subsequent to the termination or expiry of this Agreement, the Consultant will not use the Confidential Information in any manner except as reasonably required for the Consultant to perform the Services.
- 8.5 Without limiting the generality of Article 8.4, at all times during and subsequent to the termination or expiry of this Agreement, the Consultant will not use or take advantage of the Confidential Information for the purpose of creating, maintaining or marketing or aiding in the creation, maintenance or marketing of any product or service which is competitive with any product or service developed, owned, licensed, sold, performed or marketed by Venmar CES or any Related Entity or any of Venmar CES's clients.
- 8.6 Upon the request of Venmar CES, and in any event upon the termination or expiry of this Agreement, the Consultant will immediately return to Venmar CES all materials, including all copies in whatever form, containing the Confidential Information which are in the Consultant's possession or under the Consultant's control or which are in the possession or under the control of any persons for whom the Consultant is legally responsible.

**9. PROPRIETARY RIGHTS**

- 9.1 The Consultant will not acquire any right, title or interest in or to the Confidential Information, all of such right, title and interest being the sole and exclusive property of Venmar CES.
- 9.2 The Consultant covenants to promptly and fully disclose to Venmar CES all Works and, if and so often as required by Venmar CES, the Consultant will disclose in writing in a log book or similar instrument provided for such purpose by Venmar CES, the details of all Works that the Consultant is involved with or that for which the Consultant is responsible.
- 9.3 The Consultant hereby assigns and transfers to Venmar CES, and agrees that Venmar CES will be the sole and exclusive owner of, all of the Consultant's right, title and interest in and to all Works, throughout the world, including display rights and all other Intellectual Property Rights.
- 9.4 Venmar CES, its assignees and licensees, are not required to designate the Consultant as the author of any Works. In consideration of the engagement of the Consultant by Venmar CES, the Consultant hereby waives in whole all "moral rights" (as defined under applicable copyright legislation) which the Consultant may have in any Works in which copyright subsists, including the right to the integrity of the Works, the right to be associated with the Works, the right to restrain or claim damages for any distortion, mutilation or other modification of the Works and the right to restrain use or reproduction of the Works in any context and in connection with any product, service, cause or institution.
- 9.5 Listed on Schedule "C" to this Agreement are those works and inventions created by the

Consultant, alone or jointly with others, prior to the engagement of the Consultant by Venmar CES, which are exempt from the operation of this Agreement. If nothing is listed on Schedule "C", the Consultant represents that the Consultant has made no such works or inventions as of the date of this Agreement.

- 9.6 Venmar CES is solely and exclusively entitled to make applications for registration of all Intellectual Property Rights in relation to the Works, in Venmar CES's sole discretion, in any jurisdictions that Venmar CES deems necessary
- 9.7 The Consultant will cooperate fully with Venmar CES at all times during and subsequent to the termination or expiry of this Agreement with respect to execution and delivery of any and all further documents and the carrying out of any and all such acts and things as are reasonably requested by Venmar CES:
- (a) to confirm the transfer of ownership of all rights, including all Intellectual Property Rights, effective at or after the time the Works are created;
  - (b) to apply for and obtain Intellectual Property Rights registrations covering the Works; and
  - (c) to enforce, from time to time, the Intellectual Property Rights.

Venmar CES will compensate the Consultant at a reasonable rate after termination or expiry of this Agreement for time actually spent by the Consultant at Venmar CES's request in providing such assistance.

- 9.8 If Venmar CES is unable, for any reason whatsoever, to secure the Consultant's signature to any lawful document required to apply for or obtain any Intellectual Property Right with respect to the Works (including renewals, extensions, continuations, divisions or continuations in part thereof) then the Consultant hereby irrevocably designates and appoints Venmar CES and its duly authorized officers and agents as the Consultant's agents and attorneys-in-fact to act for and on the Consultant's behalf and to execute and file any such document and to do all other lawfully permitted acts to further the prosecution of said applications with the same legal force and effect as if executed by the Consultant.

## **10. REASONABLENESS OF OBLIGATIONS**

- 10.1 The Consultant hereby confirms that the covenants and obligations in Articles 7, 8 and 9 herein are fair and reasonable given that, among other reasons:
- (a) the sustained contact the Consultant will have with the customers and clients of Venmar CES and its Related Entities will expose the Consultant to Confidential Information regarding the particular requirements of said customers and clients and Venmar CES's unique methods of satisfying the needs of said customers and clients, all of which the Consultant agrees not to act upon to the detriment of Venmar CES; and

- (b) the Consultant will perform important development work on the products developed, marketed, sold or licensed by Venmar CES and its Related Entities and on the services provided or performed by Venmar CES and its Related Entities,

and the Consultant agrees that the covenants in Articles 7, 8 and 9 together with the Consultant's other obligations hereunder are reasonably necessary for the protection of the proprietary interests of Venmar CES and its Related Entities. The Consultant acknowledges and agrees that the restrictive covenants contained in Articles 7, 8 and 9 hereof, constitute material inducements to Venmar CES to enter into this Agreement and to engage the Consultant and to pay the Consultant compensation for the Services to be rendered to Venmar CES and its Related Entities by the Consultant, and that Venmar CES would not enter into a consulting agreement absent those restrictive covenants.

The Consultant acknowledges and agrees that the fulfilment or enforcement of the Consultant's obligations contained in Articles 7.1 and 7.2 will not preclude the Consultant from becoming gainfully and directly employed following termination or expiry of this Agreement given the Consultant's general knowledge and experience.

#### **11. INJUNCTIVE RELIEF**

- 11.1 The Consultant acknowledges and agrees that damages at law may be an inadequate remedy for a breach or threatened breach of this Agreement and hereby agrees that, in the event of a breach or threatened breach of any provision hereof by the Consultant, the rights of Venmar CES and the obligations of the Consultant hereunder shall be enforceable by injunction or other equitable remedy.

#### **12. REMEDIES CUMULATIVE**

- 12.1 The remedies to which Venmar CES may resort are cumulative and not exclusive of any other remedy allowed by law or equity to which Venmar CES may be entitled, and Venmar CES shall be entitled to pursue any and all of their respective remedies concurrently, consecutively and alternatively.

#### **13. ASSIGNMENT**

- 13.1 The Consultant's obligations, rights, benefits and privileges under this Agreement are personal and may not be assigned by the Consultant.

#### **14. ARBITRATION**

- 14.1 All disputes arising out of this Agreement, its interpretation, performance or breach may be submitted to arbitration pursuant to *The Arbitration Act, 1992* (Saskatchewan).
- 14.2 There shall be three (3) arbitrators.



- 14.3 The party demanding arbitration shall inform, in writing, the other party of the name of its arbitrator and the issue to be arbitrated and the party receiving the demand shall within seven (7) days thereafter name its arbitrator and so advise the other in writing. The two (2) arbitrators so designated shall choose a third arbitrator as chairperson within fifteen (15) days of the last of their respective appointments. In the event the party receiving the demand for arbitration fails to name an arbitrator within the time specified, then an arbitrator may be named by a Judge of the Court of Queen's Bench for Saskatchewan as provided in *The Arbitration Act, 1992* (Saskatchewan) and in the event the two (2) arbitrators named shall fail to name a third arbitrator, then similarly a Judge of a Court of a competent jurisdiction may name the third arbitrator.
- 14.4 An award made by two (2) of the three (3) arbitrators shall be final and binding on all parties. The arbitrators shall determine their own rules and procedures and the rules of evidence that they shall follow.

**15. NOTICES**

- 15.1 Any notice required or permitted to be given pursuant to this Agreement shall be in writing and deemed for all purposes to be sufficiently given if sent by first-class mail, UPS, FedEx, or similar nationally recognized carrier, postage prepaid, addressed to the receiving party as follows:

To Venmar CES at:

2525 Wentz Avenue  
Saskatoon, SK  
Canada S7K 2K9

Attention: Maury Wawryk  
Telephone: 306-242-3663  
Facsimile: 306-242-3484

With a Copy to:

McDougall Gauley LLP  
Barristers & Solicitors  
701 Broadway Avenue  
Saskatoon, SK. S7K 3L7

Attention: David J. McKeague, Q.C.

Telephone: (306) 653-1212  
Facsimile: (306) 652-1323

To the Consultant at:

7709 West Q Avenue  
Kalamazoo, Michigan  
USA 49009

Telephone: 269-375-4916

Facsimile: 269-375-4916

Either party may change its address by advising the other party, in writing, of such change in accordance with this Article 15.

**16. WAIVER**

- 16.1 Venmar CES may at any time and from time to time waive in whole or in part the benefit to it of any provision in this Agreement but any waiver on any occasion shall be deemed not to be a waiver of that provision thereafter or a waiver of any other provision. No consent or waiver, express or implied, by Venmar CES to or of any breach or default by the Consultant in the performance by the Consultant of any obligation on the Consultant's part hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default of such obligation or a consent or waiver to or of any other obligation of the Consultant.

**17. TIME**

- 17.1 Time shall be of the essence of this Agreement.

**18. AMENDMENTS**

- 18.1 This Agreement (which includes the recitals and schedules) contains the entire understanding of the parties and any modification to this Agreement must be in writing and signed by both parties.
- 18.2 This Agreement constitutes the entire Agreement between the parties with respect to the Consultant's engagement. Any pre-contract representation made by Venmar CES shall be deemed to be merged herein and shall not survive the execution of this Agreement. No pre-contract representation by Venmar CES shall form the basis of any claim by the Consultant whether in contract or in tort.

**19. SEVERABILITY**

- 19.1 Each provision contained herein is declared to constitute a separate and distinct covenant and to be severable from all other such separate and distinct covenants. If any provision or covenant is deemed to be void or unenforceable in whole or in part, it shall not be deemed to affect or impair the enforceability or validity of any other covenant or provision contained herein.

20. LAW

20.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of Saskatchewan. The parties hereby attorn to the exclusive jurisdiction of the Courts of the Province of Saskatchewan, provided however that the foregoing shall not exclude either party from enforcing any judgment arising hereunder in any other Court of competent jurisdiction.

21. COUNTERPART SIGNATURE

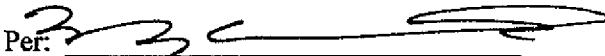
21.1 This Agreement may be signed in any number of counterparts. Each such counterpart shall, for all purposes, be deemed an original. All such counterparts together shall constitute but one and the same Agreement. An electronic facsimile transmission hereof signed by any person named below will be sufficient to establish the signature of that person and to constitute the consent in writing of that person to the foregoing Agreement and, notwithstanding the date of execution, shall be deemed to be executed as of the date set forth above.

22. ENUREMENT

22.1 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors, heirs, personal representatives, executors, administrators and permitted assigns.

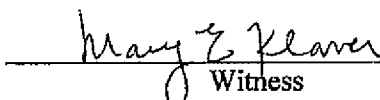
IN WITNESS WHEREOF the parties have executed this Agreement as of the 17<sup>th</sup> day of July, 2006.

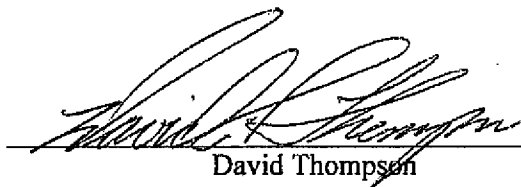
VENMAR CES, INC.

Per: 

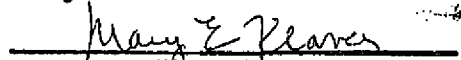
(seal) MARY E. KLAVER  
NOTARY PUBLIC KALAMAZOO CO., MI  
MY COMMISSION EXPIRES JUL 14, 2008

Per: \_\_\_\_\_

  
Witness

  
David Thompson

Subscribed and sworn before me, this 17<sup>th</sup>  
day of July, 2006, a Notary Public  
in and for Kalamazoo County,  
Michigan.

  
(Signature)  
NOTARY PUBLIC  
My Commission expires July 14, 2008.

## **SCHEDULE "A"**

### **CONSULTING SERVICES**

1. Conducting research and development in respect of the Pump and related equipment.
2. Attending meetings with the directors, officers and employees of Venmar CES, its Related Entities and such other persons as Venmar CES may designate from time to time.
3. Attending at the Venmar CES Facilities, or such other location in Canada or the United States as Venmar CES or any Related Entity may determine from time to time.
4. Providing Venmar CES with monthly reports detailing:
  - (a) Consultant's activities in the performance of the Services in the proceeding month;
  - (b) the status of research and development assignments as designated by Venmar CES; and
  - (c) Consultant's recommendations regarding such research and development.
5. Promptly responding to all enquiries from Venmar CES or any Related Entity, as the case may be.
6. Causing accurate books and records to be kept of all expenditures made by the Consultant in the performance of the Services.
7. Keeping all invoices, receipts and vouchers relating to all expenditures made by the Consultant in connection with the performance of the Services and keep the same separate from any other books and records that the Consultant may maintain.
8. Performing such other services or functions reasonably required by Venmar CES and within the general scope of these services.
9. Providing support for such tasks as Venmar CES, or any Related Entity, may from time to time designate.

**SCHEDULE "B"**  
**TERMINATION CERTIFICATE**

TO: Venmar CES, Inc. ("Venmar CES")

The undersigned hereby certifies that the undersigned does not possess nor has the undersigned failed to return to Venmar CES, or any Related Entity, as the case may be, any documents, data, customer lists, customer records, sales records or other documents or materials, equipment or other property belonging to Venmar CES, or such Related Entity, nor any other information defined as "Confidential Information" in the Consulting Agreement dated June 1<sup>st</sup>, 2006. The undersigned hereby further confirms that the undersigned is and will be bound by the undersigned's covenants, obligations and agreements as set out in the Consulting Agreement including, without limitation, those covenants, obligations and agreements concerned with Confidential Information, non-competition, non-solicitation of clients and non-solicitation of employees, consultants and contractors.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_, at Kalamazoo, Michigan, USA.

SIGNED, SEALED AND DELIVERED by )

\_\_\_\_\_ )  
in the presence of: )

\_\_\_\_\_ )  
Signature )

\_\_\_\_\_ )  
Print Name )

\_\_\_\_\_ )  
Address )

\_\_\_\_\_ )  
Occupation )

\_\_\_\_\_  
(Signature of Consultant)

David Thompson  
(Print Name of Consultant)

**SCHEDULE "D"**

**EXEMPT WORKS**

TO: Venmar CES, Inc. ("Venmar CES")

The following is a complete list of all works and inventions relative to the subject matter of the undersigned's services to Venmar CES that the undersigned created prior to the provision of services to Venmar CES:

- ☐ No works and inventions
- ☒ See below:  
All Enthalpy Pump designs previously built and sold to EP Industry's customers  
\_\_\_\_\_  
\_\_\_\_\_
- ☐ Additional sheets attached

DATED this 17th day of July, 2006, at Kalamazoo, Michigan, USA.

SIGNED, SEALED AND DELIVERED by )

in the presence of: )

Mary E. Klaver )  
Signature )

Mary E. Klaver )

Print Name )

1527 Kingston Ave )

Address )

Kalamazoo, MI 49001 )

Legal Assistant )

Occupation )

David Thompson  
(Signature of Consultant)

David Thompson

(Print Name of Consultant)

MARY E. KLAVER  
NOTARY PUBLIC KALAMAZOO CO., MI  
MY COMMISSION EXPIRES JUL 14, 2008