

Form PTO-1595 (Rev. 07/05)  
OMB No. 0651-0027 (exp. 6/30/2008)

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

### RECORDATION FORM COVER SHEET PATENTS ONLY

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

**1. Name of conveying party(ies)**

Lynn Frazier  
Dudley Klatt  
Alfredo Hernandez

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

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

Name: Dudley Klatt

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

Street Address: P. O. Box 1007

City: ORANGE GROVE

State: TEXAS

Country: USA Zip: 78372

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

**3. Nature of conveyance/Execution Date(s):**

Execution Date(s) 11/10/2004

- Assignment  Merger
- Security Agreement  Change of Name
- Joint Research Agreement
- Government Interest Assignment
- Executive Order 9424, Confirmatory License
- Other agreement among owners

**4. Application or patent number(s):**

This document is being filed together with a new application.

A. Patent Application No.(s)

B. Patent No.(s)

U. S. Patent No. 7287596

Additional numbers attached?  Yes  No

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

Name: GEORGE S. GRAY

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

Street Address: P. O. Box 270190

City: Corpus Christi

State: Texas Zip: 78427-0190

Phone Number: 361-855-8989

Fax Number: 361-855-6069

Email Address: \_\_\_\_\_

**6. Total number of applications and patents involved: One****7. Total fee (37 CFR 1.21(h) & 3.41) \$ 40.00**

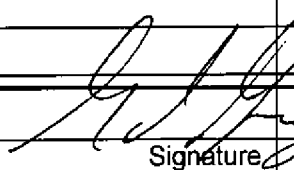
- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed
- None required (government interest not affecting title)

**8. Payment Information**

a. Credit Card Last 4 Numbers 4729  
Expiration Date 03/09

b. Deposit Account Number \_\_\_\_\_

Authorized User Name \_\_\_\_\_

**9. Signature:**

Signature

10/26/2007  
Date

GEORGE S. GRAY  
Name of Person Signing

Total number of pages including cover sheet, attachments, and documents: 8

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:  
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

OP \$40.00 7287596

**Recordation Form PTO-1595  
Additional Sheet  
U. S. Patent No. 7,287,596**

**Additional Receiving Parties:**

Lynn Frazier  
5353 County Road 73  
Robstown, Texas, 78380  
United States  
Individual

Alfredo Hernandez  
423 San Saba  
Portland, Texas, 78374  
United States  
Individual

STATE OF TEXAS §

COUNTY OF NUECES §

**AGREEMENT CONTRACT**

This Agreement is made by and between the following owners of the Patent rights on the "MAGNUM VALVE™".

**1. ACCEPTANCE**

This Agreement is not binding until it is executed by all parties to this Agreement.

**2. ASSIGNMENT**

No party shall have the right to transfer or assign his or her interest in this Agreement without the prior written consent of all the other parties

**3. PARAGRAPH HEADINGS, USE OF PRONOUNS, AND CAPTIONS**

The captions, numbering sequences, titles, paragraph headings, punctuation, and organization used in this Agreement are for the convenience only and shall in no way define, limit or describe the scope or intent of this Agreement or any part of it.

The paragraph headings used in this Agreement are descriptive only and shall have no legal force or effect whatsoever other than to aid a reasonable interpretation of the Agreement.

Use of the neuter or the singular to refer to the parties described in this Agreement shall be deemed a proper reference whether a party is an individual, partnership, corporations, or a joint venture.

**4. UNDERSTANDING, FAIR CONSTRUCTION**

By execution of this Agreement, the parties acknowledge that they have read and understood each provision, term and obligation contained in this Agreement.

This Agreement, although drawn by one party, shall be construed fairly and reasonably and not more strictly against the drafting party than the no drafting party.

**5. CONFIDENTIAL INFORMATION**

The parties agree that the information and data at each other's disposal during the term of

the negotiation, operation and enforcement of this Agreement is considered proprietary information and confidential. Such information, if disseminated to third parties, would be detrimental to the owner of the proprietary data. Accordingly, each party agrees to take any and all reasonable precautions to restrict the dissemination of such information by its employees, agents or subcontractors.

This obligation shall continue notwithstanding the termination of this Agreement for a period of ten (10) years from the effective date of this Agreement.

During the term of this Agreement or any extension of this Agreement, no party hereto shall permit access by any nonaffiliated employees or person to the proprietary information, without the other party's written permission.

## 6. FURTHER AGREEMENTS

For and in consideration of the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the parties each agree as follows:

Each party shall bear one third of the expenses incurred in the enterprise and each party shall share one third of the earnings.

Each party agrees to use his best effort in performing his duties and at all times to act in good faith.

If any one of the three original owners, Lynn Frazier, Dudley Klatt, or Alfredo Hernandez decides to sell his 1/3<sup>rd</sup> interest in the patent rights on Magnum Valve™ and in this agreement, the other two owners may purchase the 1/3<sup>rd</sup> interest of the patent and of this agreement owned by the party selling his 1/3<sup>rd</sup> interest in the same. In such event, the purchasing parties shall each acquire a one-half interest in the 1/3<sup>rd</sup> interest in the patent rights and of this agreement, being an additional 1/6<sup>th</sup> interest each and constituting a 1/2 ownership of the patent rights and of this agreement in each of the purchasing owners.

If only one of the two initial owners to whom another owner wishes to sell his 1/3<sup>rd</sup> interest has the ability to buy the seller's interest, such initial Owner may purchase the Seller's 1/3<sup>rd</sup> interest, and thus obtain a 2/3<sup>rd</sup> interest in the patent and this agreement.

It is expressly understood and agreed by the initial Owners named herein that if any of the initial Owners should die, while this Agreement is in effect, their families or legal heirs, executors or administrators are entitled to all rights and privileges, improvements and changes, pertaining to the Magnum Valve™ and the patent thereon irrespective of change of name, if any.

## 7. FORCE MAJEURE

No party shall be liable or responsible to the other party for any delay, damage, loss, failure, or inability to perform caused by "force majeure".

The term "force majeure," as used in this Agreement, shall include the following: an act of God, strike, act of a public enemy, war, mines or other items of ordinance, blockage, public rioting, lightning, fire, storm, hurricane, flood, explosions, inability to obtain materials, supplies, labor permits, servitudes, or rights of way, acts or restraints of any governmental authority, epidemics, landslides, lightning storms, earthquakes, washouts, arrests of rulers and peoples, civil disturbances, explosions breakage or accident to machinery or lines of equipment, temporary failure of equipment, freezing of equipment, and any other cause, whether of the kinds specifically enumerated above or otherwise, which is not reasonably within the control of the parties and which by the exercise of due diligence could not reasonable be prevented or overcome. Events reasonably with the control of the party having the difficulty shall not constitute "force majeure" and shall be remedied with the exercise of due diligence.

Any such causes or contingencies affecting the performance of this Agreement by any party shall not relieve that party of liability in the event of its concurring negligence or in the event of its failure to remedy the situation if it within its reasonable control or it could reasonably have removed the cause that prevented its performance.

The parties shall use all reasonable dispatch to remove all contingencies affecting the performance of this Agreement. This clause does not relieve any party from its obligations to make payments of amounts then due for previous work or obligations contemplated and performed under this Agreement.

Furthermore, the party asserting this privilege shall give a full and complete notice of the facts which it considers to excuse its performance under this "force majeure" clause.

#### 8. NO PARTNERSHIP INTENDED

It is agreed and understood that any work requested by the parties to this agreement shall be performed under the terms of the Agreement and that all parties are considered independent contractors. Each party is interested only in the results obtained under this Agreement and has the general right of inspection and supervision in order to secure the satisfactory completion of the work.

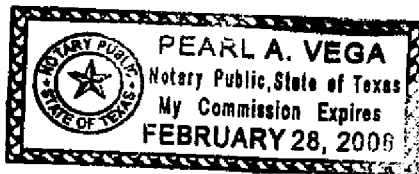
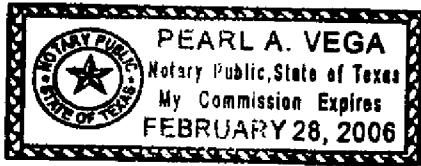
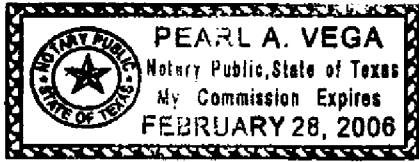
No party shall have control of the other party with respects to its hours, times, employment, or the like.

Under no circumstances shall one party be deemed an employee of the other, nor shall either party act as an agent of the other party.

Each party to this Agreement warrants that all obligations imposed on him by this Agreement shall be performed with diligence in a safe, competent, workmanlike manner and in compliance with any and all applicable statutes, rules and regulations.

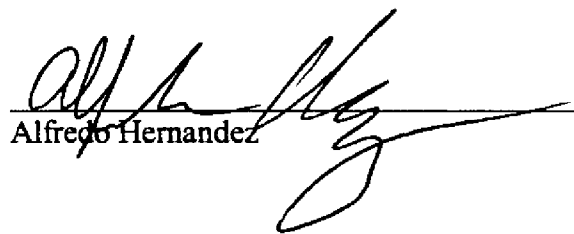
SIGNED, ACCEPTED AND AGREED TO on this 10 day of November, 2004, the

undersigned parties, who acknowledge that they have read and understand this Agreement and that they execute this legal document voluntarily and of their own free will.



  
Lynn Frazier

  
Dudley Klatt

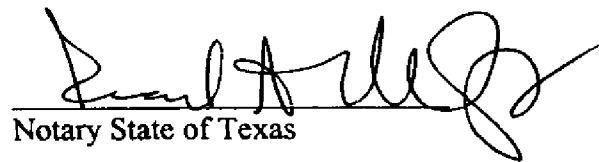
  
Alfredo Hernandez

STATE OF TEXAS §

COUNTY OF NUECES §

Before me, the undersigned authority, on this day personally appeared Lynn Frazier, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and consideration expressed in the instrument, and in the capacities stated in the instrument.

Given under my hand and seal of office this 10 day of November, 2004.

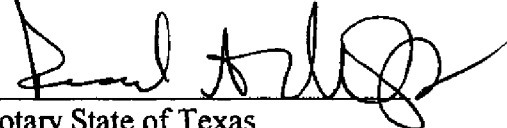
  
Notary State of Texas

STATE OF TEXAS §

COUNTY OF NUECES §

Before me, the undersigned authority, on this day personally appeared Dudley Klatt, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and consideration expressed in the instrument, and in the capacities stated in the instrument.

Given under my hand and seal of office this 10 day of November, 2004.

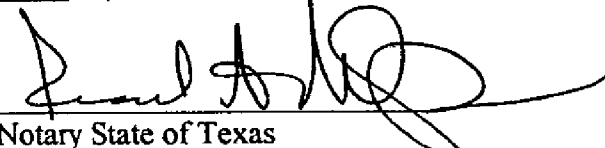
  
Notary State of Texas

STATE OF TEXAS §

COUNTY OF NUECES §

Before me, the undersigned authority, on this day personally appeared Alfredo Hernandez, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and consideration expressed in the instrument, and in the capacities stated in the instrument.

Given under my hand and seal of office this 10 day of November, 2004.

  
Notary State of Texas

PREPARED IN THE LAW OFFICES OF:  
Fisher Alsup  
555 N. Carancahua, Ste. 1560  
Corpus Christi, TX 78478