

PATENT ASSIGNMENT

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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
MT Technologies	06/23/2006
RECEIVING PARTY DATA	
Name:	Danfoss AquaZ A/S
Street Address:	Nordborgvej 81
City:	Nordborg
State/Country:	DENMARK
Postal Code:	6430
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	7208089
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NAME OF SUBMITTER:	Jennifer P. Yancy
Total Attachments: 12 source=MT_AquaZ_Assignment_01#page1.tif source=MT_AquaZ_Assignment_01#page2.tif source=MT_AquaZ_Assignment_01#page3.tif source=MT_AquaZ_Assignment_01#page4.tif source=MT_AquaZ_Assignment_01#page5.tif	

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ASSIGNMENT AND JOINT OWNERSHIP AGREEMENT

THIS ASSIGNMENT AND JOINT OWNERSHIP AGREEMENT (this "Agreement"), made and entered into this 23rd day of June, 2006, by and between MT TECHNOLOGIES, INC., a corporation organized and existing under the laws of the State of Delaware and having its principal place of business at 364 Lee Avenue, River Edge, New Jersey 07661, (hereinafter referred to as "MTT") and DANFOSS AQUAZ A/S a corporation organized and existing under the laws of Denmark and having its principal place of business at Nordborgvej 81, DK, 6430 Nordborg (hereinafter referred to as "DANFOSS AQUAZ").

WITNESSETH:

WHEREAS, MTT is the sole and exclusive owner of the entire right, title and interest in and to inventions relating to Active Water Membrane Technology as described in Exhibit A attached hereto (the "ACTIVE WATER MEMBRANE TECHNOLOGY");

WHEREAS, MTT, Danfoss Innovation A/S and P/S BI New Energy Solutions have decided to establish DANFOSS AQUAZ in accordance with an investment Agreement dated June 23, 2006 (hereinafter referred to as the "INVESTMENT AGREEMENT"); and

WHEREAS, DANFOSS AQUAZ desires to acquire partial ownership of intellectual property rights held by MTT for commercial use within the ACTIVE WATER MEMBRANE FIELD as described in Exhibit A.

NOW, THEREFORE, for and in consideration of the premises and covenants herein contained, the parties hereto have agreed as follows:

1. MTT hereby sells, assigns, grants and conveys to DANFOSS AQUAZ a 50% share of MTT's BioMimetic patent application US 20040049230 as well as other patents or applications both US and foreign claiming priority in whole or in part therefrom and any and all related patents as specified in Exhibit B (the PATENT). Exhibit B contains a list of the patent family of the PATENT on the date of entering this Agreement. MTT hereby undertakes to execute and file an assignment and any other documents required with the United States Patent Office and other national patent offices of the change in ownership into a joint ownership by MTT and DANFOSS AQUAZ.

2. MTT and DANFOSS AQUAZ agree upon the following split of technological fields of use: DANFOSS AQUAZ has the exclusive and sole right, title and interest in the ACTIVE WATER MEMBRANE FIELD, including the right to make, use, market, sell and license products made under the PATENT. Exception to this concerns the following fields covered under option granted to UNILEVER UK CENTRAL RESOURCES LIMITED as part of Service Agreement dated 10th day of February 2005 ("Unilever fields"):

- (a) consumer residential countertop devices for water purification,
- (b) water filtration for vending devices of tea based-beverages and ice drinks, and
- (c) water softening for laundry applications

This exception is only valid as long as the UNILEVER Service Agreement is active. Once the UNILEVER Service Agreement lapses, the exclusive and sole right, title and interest in the excepted fields goes to DANFOSS-AQUAZ.

MTT reserves the sole right, title and interest of commercialization in all other fields not belonging to the ACTIVE WATER MEMBRANE FIELD, including the right to make, use, sell and license products made under the PATENT.

MTT shall provide DANFOSS AQUAZ with any and all documents or other things in its possession embodying ACTIVE WATER MEMBRANE TECHNOLOGY including but not limited to trade secrets and know how. In this Agreement and any other related agreements, the assignment to DANFOSS AQUAZ of the 50% share in the PATENT shall include an assignment of 100% share of ownership in such ACTIVE WATER MEMBRANE TECHNOLOGY in accordance with the INVESTMENT AGREEMENT.

3. MTT and DANFOSS AQUAZ each is entitled to license the PATENT to whomever they wish inside their respective fields of use without any accounting to the other party. Both parties can enter into separate licensing agreements without sharing royalties with the other party. MTT shall have no right to license any third party in the ACTIVE WATER MEMBRANE FIELD. MTT and DANFOSS AQUAZ agree to notify each other in the event that a party should wish to assign or otherwise transfer its respective ownership to a third party. In the event that the party so notified has an interest in acquiring or otherwise assuming full ownership of the PATENT, MTT and DANFOSS AQUAZ agree to conduct good faith negotiations prior to any negotiations with the respective third party and agree to enter into any necessary confidentiality agreement. Any assignment of ownership to the PATENT to a third party by either MTT or DANFOSS AQUAZ shall only be valid upon the current assignee's written acceptance of the terms in this JOINT OWNERSHIP AGREEMENT.

4. DANFOSS AQUAZ acknowledges that Dr. Carlo Montemagno, a shareholder of MTT is also a professor at University of Cincinnati ("UC"), an institution dedicated to free scholarly exchange and to public dissemination of the results of its scholarly activities. Dr. Carlo Montemagno and any other UC faculty and /or employee, engaged as an employee of or consultant to DANFOSS AQUAZ and/or MTT shall have the right to publish, disseminate or otherwise disclose information contained in the PATENT or information relating to the field of ACTIVE WATER MEMBRANE TECHNOLOGY. However, in order to avoid novelty destroying publication concerning possible planned or pending patent applications from DANFOSS AQUAZ, such publication must be reported to DANFOSS AQUAZ two (2) months ahead of any publication or disclosure for DANFOSS AQUAZ' approval.

5. DANFOSS AQUAZ agrees to pay 50% of the historic cost of the PATENT. The historic costs to date have totaled approximately US\$ 54,000, and DANFOSS-AQUAZ will thus pay US\$ 27,000 to MTT. Future costs relating to the PATENT are borne with a 50% share on each party. Such future cost include attorneys' fees, the costs of any interference proceedings, reexaminations, or any other ex parte or inter partes administrative proceeding before patent offices, taxes, annuities, issue fees, working fees, maintenance fees and renewal charges. The final country selection of the PATENT will be settled by discussion between the parties. The parties agree, that - unless otherwise decided - the prosecution of the PATENT is continued by the patent agent in charge at the time of entering this Agreement. In the event MTT does not wish to file for patent protection, DANFOSS AQUAZ shall have a sole right to do so at its own expense and MTT hereby agrees to notify DANFOSS AQUAZ of its decision thirty (30) days prior to the deadline and to execute any and all necessary documents and assignments for such filings with the resulting patents being solely owned by DANFOSS AQUAZ. In the event MTT does not wish to pay maintenance fees or taxes for any of the PATENTS or related applications or patents, DANFOSS AQUAZ shall have a sole right to do so at its own expense and MTT hereby agrees to notify DANFOSS AQUAZ of its decision thirty (30) days prior to the deadline and to execute any and all necessary documents and assignments for such filings with the resulting patents being solely owned by DANFOSS AQUAZ. In the event MTT does not wish to continue prosecution of any of the PATENTS or related applications or patents, DANFOSS AQUAZ shall have a sole right to do so at its own expense and MTT hereby agrees to notify DANFOSS AQUAZ of its decision thirty (30) days prior to the deadline and to execute any and all necessary documents and assignments for such filings with the resulting patents being solely owned by DANFOSS AQUAZ.

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6. DANFOSS AQUAZ agrees to pay to MTT for the sale, assignment, grant and conveyance herein before described in the following manner:

- a. An initial payment of One-Hundred Forty-Five Thousand Dollars (US\$145,000) upon execution of this agreement;
- b. Two Hundred Thirty-Five Thousand (235,000) shares of DANFOSS AQUAZ's common stock delivered in the name of MTT immediately upon execution of this Agreement;
- c. Common stock warrants issued immediately upon execution of this Agreement as described in the INVESTMENT AGREEMENT and Schedules hereto.
- d. US\$ 27,000 covering the historic cost of the PATENT as described in Section 5 above.

7. MTT hereby covenants: (a) that MTT is the sole owner of the entire right, title and interest in and to the ACTIVE WATER MEMBRANE TECHNOLOGY and the PATENT unencumbered by any outstanding contracts, agreements or priority claims; (b) MTT has full right to make this assignment and sale and that MTT has not executed and will not execute any agreement in conflict therewith; (c) MTT will, at any time, upon written request, execute any and all rightful documents that may be necessary or desirable in the opinion of counsel for DANFOSS AQUAZ to perfect in DANFOSS AQUAZ the complete legal and equitable title to the ACTIVE WATER MEMBRANE TECHNOLOGY and the PATENT, and to enable DANFOSS AQUAZ to obtain and sustain good and valid Letters Patent thereon in the United States of America and in all foreign countries throughout the world; (d) if a reissue of any such Letters Patent or a disclaimer relating thereto shall hereafter be desired by DANFOSS AQUAZ, MTT will, upon written request, sign all papers, make all rightful oaths, do all lawful acts requisite for the application of such reissue and the securing thereof and for the filing of such disclaimer without further compensation but at the expense of DANFOSS AQUAZ; (e) MTT will, at any time, upon request, communicate to DANFOSS AQUAZ, its legal representatives or customers, any information relating to the ACTIVE WATER MEMBRANE TECHNOLOGY known to MTT, will amplify this information with sketches and written disclosures and make MTT employees available for consultation, and will testify to the same in any litigation when requested to do so without any further compensation, but at the expense of DANFOSS AQUAZ; (f) MTT has no actual knowledge of prior art not of record, which may be material to the validity of the intellectual or industrial property rights or pending patents related to the ACTIVE WATER MEMBRANE TECHNOLOGY; (g) MTT further covenants that there are no infringements and no actual knowledge of potential infringement claims by a third party, to the

Schedule 4.2.1

best of MTT's knowledge; and (h) MTT further covenants that it will obtain assignments and any other required documents from its employees for any of the PATENTS or for any improvements therefor for the ACTIVE WATER MEMBRANE TECHNOLOGY. DANFOSS AQUAZ hereby acknowledges and agrees that MTT makes no representations, warranties or covenants in connection with the ACTIVE WATER MEMBRANE TECHNOLOGY, except as specifically set forth in Section 7 of this Agreement. MTT specifically makes no representation or warranty regarding the merchantability, fitness for a particular purpose or other commercial warranty regarding any aspect of the Assigned Technology. MTT IS SELLING PART OF ITS RIGHTS TO THE PATENT AND TECHNICAL INFORMATION HEREUNDER TO DANFOSS AQUAZ, ON AN "AS IS" BASIS.

8. It is mutually understood and agreed that future modifications and improvements made or developed by MTT outside the ACTIVE WATER MEMBRANE FIELD are fully owned by MTT, except for the case where the modifications and improvements specifically relates to or are useful in the ACTIVE WATER MEMBRANE FIELD. In this case, DANFOSS AQUAZ is entitled to use the modifications and improvements on a commercial basis, free of charge. Patents and other intellectual property rights in the name of MTT shall, as far as they relate to the ACTIVE WATER MEMBRANE FIELD, be licensed on a non-exclusive world-wide, free of charge basis to DANFOSS-AQUAZ. MTT hereby grants to DANFOSS AQUAZ a non-exclusive world-wide free of charge license to future modifications and improvements and potential patents and other intellectual property rights thereon. Correspondingly, future modifications and improvements made or developed by DANFOSS AQUAZ within the ACTIVE WATER MEMBRANE FIELD are fully owned by DANFOSS AQUAZ. DANFOSS AQUAZ grants to MTT a non-exclusive world-wide free of charge license to future modifications and improvements and potential patents and other intellectual property rights thereon as falls within the claims of the PATENT and based on the ACTIVE WATER MEMBRANE TECHNOLOGY as set forth herein. Both parties agree to inform each other once new patents or other intellectual property rights have been applied for.

9. The parties are free to pursue any infringers of the PATENT individually at own risk and for own benefit, or jointly in connection with terms yet to be agreed upon.

10. Termination.

a. MTT may terminate this Agreement if:

i. DANFOSS AQUAZ fails to deliver to MTT any of the consideration noted in Section 6 herein;

Schedule 4.2.1

ii. Material Breach by DANFOSS AQUAZ of any covenant or obligation contained in this Agreement or any other written agreement between DANFOSS AQUAZ and MTT related to the ACTIVE WATER MEMBRANE TECHNOLOGY;

iii MTT wants to opt out of the PATENT. In this case, MTT's 50% share is assigned free of charge by MTT to DANFOSS AQUAZ, and MTT does hereby assign its 50% share and grant to DANFOSS AQUAZ power of attorney to execute and file the assignment with the United States Patent Office and other national patent offices to change record title of the PATENT. This assignment and grant to DANFOSS AQUAZ shall include all applications for Letters Patent in the United States of America and foreign countries, and patents which may have issued thereon. MTT further agrees, upon such termination, to assign to DANFOSS AQUAZ any improvements or modifications which MTT shall have made during the life of this Agreement for the ACTIVE WATER MEMBRANE TECHNOLOGY; and MTT does hereby grant DANFOSS AQUAZ power of attorney to execute and file assignments with the United States Patent Office and other national patent offices to change record title in said patents and applications to DANFOSS AQUAZ;

iv. Danfoss Innovation A/S materially breaches its obligations to invest in DANFOSS AQUAZ, notwithstanding DANFOSS AQUAZ' due fulfillment of agreed milestones, in accordance with the terms and conditions of the INVESTMENT AGREEMENT. In such event the PATENT shall automatically be reassigned and revert back to MTT with no further action or documentation being required by either party. This reassignment back to MTT shall include all applications for Letters Patent in the United States of America and foreign countries, and patents which may have issued thereon; DANFOSS AQUAZ further agrees, upon such termination, to assign to MTT any improvements or modifications which DANFOSS AQUAZ shall have made during the life of this Agreement which are covered by any claim of a patent application based on an invention assigned to DANFOSS AQUAZ by MTT under this Agreement;

b. DANFOSS AQUAZ shall have the right to terminate this Agreement as follows:

i. if MTT performs a material breach of any covenant or obligation contained in this Agreement or any other agreement related to the ACTIVE WATER MEMBRANE TECHNOLOGY;

ii. at any time by giving MTT sixty (60) days' notice in writing and this agreement shall automatically terminate upon the expiration of such sixty (60) day period, and the ACTIVE WATER MEMBRANE TECHNOLOGY shall automatically be reassigned and revert back to MTT with no further action or documentation being required by either party. This reassignment back to MTT shall include all applications for Letters Patent in the United States of America and foreign countries, and patents which may have issued thereon; DANFOSS AQUAZ further agrees, upon such termination, to assign to MTT

Schedule 4.2.1

any improvements or modifications which DANFOSS AQUAZ shall have made during the life of this Agreement which are covered by any claim of a patent application based on an invention assigned to DANFOSS AQUAZ by MTT under this Agreement; and DANFOSS AQUAZ does hereby grant MTT power of attorney to execute and file assignments with the the United States Patent Office and other national patent offices to change record title in said patents and applications back to MTT.

c. In case of a material breach as in a.i, a.ii, a.iv and b.i above, termination of the AGREEMENT of the Agreement shall not be accepted, unless the breaching party has had the opportunity of remedying the breach. Thus, the breaching party shall have a remedy period of 30 (thirty) days from receipt of a warning letter from the other party. If the material breach is not reasonably cured by lapse of the 30 days, the AGREEMENT can be terminated according to a.i, a.ii, a.iv or b.i above. However, in regard to a.ii, a.iv and b.i above, if the breaching party rejects the other party's claim of breach, or rejects the other party's claim that a breach has not been reasonably cured, any termination according to these clauses shall not be effective until i) the disputed matter has been resolved by arbitration in accordance with clause 14 of this Agreement and ii) the arbitration award has confirmed that the conditions for terminating this Agreement were fulfilled.

11. a. In the event of a termination of this Agreement by MTT based on Section 10 a.i, a.ii, a.iv and c. herein, MTT may at its option terminate this Agreement by giving DANFOSS AQUAZ sixty (60) days' written notice of its intention to terminate, and this Agreement shall automatically terminate upon the expiration of such Sixty (60) days' notice without further action by MTT, and the ACTIVE WATER MEMBRANE TECHNOLOGY shall automatically be reassigned and revert back to MTT with no further action or documentation being required by either party. This reassignment back to MTT shall include all applications for Letters Patent in the United States of America and foreign countries, and patents which may have issued thereon; DANFOSS AQUAZ further agrees, upon such termination, to assign to MTT any improvements or modifications which DANFOSS AQUAZ shall have made during the life of this Agreement which are covered by any claim of a patent application based on an invention assigned to DANFOSS AQUAZ by MTT under this Agreement; and DANFOSS AQUAZ does hereby grant MTT power of attorney to execute and file assignments with the Patent Office to change record title in said patents and applications back to MTT.

b. In the event of a termination of this Agreement by DANFOSS AQUAZ based on Section 10 b.i. and c. herein, DANFOSS AQUAZ may at its option terminate this Agreement by giving MTT sixty (60) days written notice of its intention to terminate, and this Agreement shall automatically terminate upon the expiration of such Sixty (60) days notice without further action by DANFOSS AQUAZ, which shall hereafter assume full

Schedule 4.2.1

ownership of the PATENT and the ACTIVE WATER MEMBRANE TECHNOLOGY with no further action or documentation being required by either party. This assumption of full ownership by DANFOSS AQUAZ shall include all applications for Letters Patent in the United States of America and foreign countries, and patents which may have issued thereon; MTT further agrees, upon such termination, to assign to DANFOSS AQUAZ any improvements or modifications which MTT shall have made during the life of this Agreement which are covered by any claim of a patent application based on an invention assigned to DANFOSS AQUAZ by MTT under this Agreement; and MTT does hereby grant DANFOSS AQUAZ power of attorney to execute and file assignments with the Patent Office to change record title in said patents and applications to DANFOSS AQUAZ.

12. Any notice (hereinafter referred to as a "NOTICE") given or made under or in connection with this Agreement shall be in writing.

12.1 Any NOTICE shall be addressed as provided in Clause 12.2 or to such other address of which any party hereto may from time to time give NOTICE, and if so addressed shall be deemed to have been duly given and made as follows:

- a. if sent by personal delivery, upon delivery at the address of the relevant party always provided that delivery takes place during normal business hours on a business day;
- b. if sent by first class prepaid registered mail; at 10 a.m. five (5) business days after the date of mailing; and
- c. if sent by fax or e-mail two (2) hours after its dispatch always provided (i) that the transmission is successful according to usual fax or e-mail receipt, (ii) that such time is within normal business hours on a business day, and (iii) that the recipient has not notified the sender that the fax was illegible (provided that such NOTICE is given on the same day) and (iv) that the NOTICE is at the same time forwarded by registered mail to the relevant party.

12.2 The relevant addresses and fax numbers of each party for the purpose of this Agreement are as follows:

- i. DANFOSS AQUAZ: Danfoss AquaZ A/S
Nordborgvej 81
6430 Nordborg
Denmark
Attention: Jorgen Steen-Pedersen

Schedule 4.2.1

Fax: +45 74 49 09 49

With a copy to: Povl Schroeder (file no. 13762 – AquaZ)

ii. MTT:

MT Technologies, Inc.
364 Lee Avenue
Attention: Steven Tozzi
Fax: +1 201 483 8129

13. This agreement shall inure to the benefit of the successors, assigns, heirs, administrators and executors of MTT and the successors and assigns of DANFOSS AQUAZ. In the event of the assignment, voluntary or by operation of law, of MTT's interest herein to more than one assignee, MTT shall designate a trustee to receive any sums due to such assignees hereunder.

14. This Agreement shall be construed in accordance with the laws of Denmark. Any dispute arising out of or in connection with this Agreement shall be settled according to the Rules of Procedure of the Danish Institute of Arbitration (Danish Arbitration). The arbitrators shall have a reasonable experience with Danish law. Proceedings shall be held in Amsterdam, unless otherwise agreed.

15. This Agreement constitutes the entire and complete Agreement between the parties hereto and there shall be no modification or deviation therefrom except and unless same be made by mutual consent of the parties in a writing executed by both parties.

16. This Agreement ends with a termination as under 10 above, or with the lapse of the last of any registered intellectual property rights. If one or more of the family members of the PATENT should be forfeited or invalidated as a result of a legal decision which becomes absolute, the Agreement shall continue to apply to the other family members, which are valid.

IN WITNESS WHEREOF, MTT has hereunto set his hand and seal, and DANFOSS AQUAZ has caused these presents to be signed by its proper officers thereunto duly authorized, and its corporate seal to be affixed, on the day and year first above written.

DANFOSS AQUAZ A/S

Stig Poulsen
Name:
Place:

[Signature]
Name:
Place:

MT TECHNOLOGIES

[Signature]
Name:
Place:

Exhibit A

DEFINITIONS

ACTIVE WATER MEMBRANE TECHNOLOGY means a technology relating to a polymer membrane which includes a polymer matrix with water transport proteins, such as aquaporins, incorporated into the matrix, such that the membrane is capable of purifying water. The polymer membrane may be used to construct a device, which is capable of purifying water.

ACTIVE WATER MEMBRANE FIELD means the manufacture, sale, use, development and membrane proteins incorporated into the matrix to form a polymer/protein composite, such that the membrane is capable of purifying water. The Active Water Membrane Field shall also include devices including other commercial activity with polymer membranes, which include a polymer matrix with such polymer membranes and methods of making and using such membranes and devices. Polymer membranes within the Active Water Membrane Field include membranes containing a biocompatible polymer matrix with water transport proteins, such as aquaporins, incorporated into the matrix. Such polymer membranes may be capable of purifying water.

Exhibit B

PATENT FAMILY

The ACTIVE WATER MEMBRANE TECHNOLOGY includes, but is not limited to, all patents and patent applications, and all international proprietary rights covering the Active Water Membrane Technology, including but not limited to U.S. Patent Application 20040049230, any divisionals, continuations and continuations-in-part thereof and their foreign counterparts.

Canadian Patent Application 2,497,273

European Patent Application EP 1,572,958

The ACTIVE WATER MEMBRANE TECHNOLOGY also includes, but is not limited to any other U.S. or foreign patents and/or patent application claiming priority to U.S. Application Serial Nos. 60/398,784, 60/438,784 and/or PCT Application No. WO 2004/011600.