

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Secured Promissory Note
CONVEYING PARTY DATA	
Name	Execution Date
NEXT-RO, INC.	09/19/2008
RECEIVING PARTY DATA	
Name:	Timothy Jay
Street Address:	15 Old Mill Road
City:	Greenwich
State/Country:	CONNECTICUT
Postal Code:	06830
PROPERTY NUMBERS Total: 6	
Property Type	Number
Patent Number:	4808302
Patent Number:	4859320
Patent Number:	4885085
Patent Number:	5662793
Application Number:	12115995
Application Number:	12575339
CORRESPONDENCE DATA	
Fax Number:	(302)636-5454
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	202-408-3121 x2348
Email:	jpaterso@cscinfo.com
Correspondent Name:	Corporation Service Co.-J. Paterson
Address Line 1:	1090 Vermont Avenue NW, Suite 430
Address Line 4:	Washington, DISTRICT OF COLUMBIA 20005
ATTORNEY DOCKET NUMBER:	808461

CH \$240.00 4808302

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PATENT
REEL: 026424 FRAME: 0231

NAME OF SUBMITTER:

Jean Paterson

Total Attachments: 3

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Non callable SECURED PROMISSORY NOTE

\$1,000,000.00

Kernville, California
September 19, 2008

FOR VALUE RECEIVED, the undersigned, NEXT-RO, INC., a California corporation (the "Maker"), promises to pay to Timothy Jay, an individual, or holder (the "Holder"), at such place as Holder may designate by written notice to Maker, the principal sum of One Million Dollars (\$1,000,000.00), with interest from September 19, 2008, until paid at the rate of twelve percent (12%) per year. Principal and interest will be due and payable in lawful money of the United States of America without set-off, deduction, or counterclaim. Principal and all accrued interest shall be due and payable on the third anniversary of the date of this Note, that is, September 19, 2011.

Payment of this Note is secured by a security interest in all of the assets of Maker, which security interest is hereby granted by Maker to Holder. Such assets include, but are not limited to: (1) all molding equipment located in-house; (2) all tooling for the Next-RO engine; (3) all capital equipment acquired by Maker after the date of this Note; and (4) all intellectual property, including but not limited to patents, associated with the Next-RO engine. Upon request of Holder, Maker will execute a separate security agreement in such form as may be reasonably acceptable to both Holder and Maker. Maker consents to the filing by Holder of a financing statement in the customary form with respect to the security interest granted herein.

Upon maturity of this Note, or upon merger or acquisition of the company, Holder shall have the right to receive the total amount of principal and interest then due, or, in lieu of a cash payment equal to the total amount of principal and interest then due, shares of Maker's common stock priced at Fifty Cents (\$.50) per share. In the event that Holder chooses not to exercise Holder's right to receive shares in lieu of cash payment upon maturity of this Note, Maker shall be automatically entitled to a thirty day (30) day grace period within which to pay the balance then due under this Note.

Until this Note matures, Holder shall have the right to require Maker's shareholders to vote their shares in such a manner as to elect one person designated by Holder to serve as a member of Maker's Board of Directors. Maker acknowledges that Holder has initially designated Fred A. Kingery to serve as a member of Maker's Board of Directors. Shareholders Timothy A. Beall and Yoshinari Kato, collectively holding approximately 70% of the outstanding shares of Maker, irrevocably agree to vote the sufficient number of shares necessary to maintain a seat on Maker's Board of Directors so long as this Note remains unpaid.

Until this Note matures, Holder shall have a right of first refusal with respect to any additional equity financing required by Maker, which right may be exercised upon Maker's receipt of a firm proposal for such financing that has been scheduled for consideration and approval by Maker's Board of Directors.

In the event of commencement of suit to collect payment of this Note, Maker agrees to pay all reasonable expenses that may be incurred thereby, including a reasonable attorney's fee.

IN WITNESS WHEREOF, the undersigned has executed and delivered this instrument, the day and year first above written.

(Holder)

NEXT-RO, INC., a California corporation

By: 
Timothy Jay

By:  12-09-08
Timothy A. Beall, President

Concurring Shareholders (not guarantors):


Timothy A. Beall


Yoshinari Kato

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