

## PATENT ASSIGNMENT

Electronic Version v1.1  
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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
Naisin Lee	08/01/2012
RECEIVING PARTY DATA	
Name:	Distilled Water Technology, LLC
Street Address:	2154 Chisin Street
City:	San Jose
State/Country:	CALIFORNIA
Postal Code:	95121
PROPERTY NUMBERS Total: 3	
Property Type	Number
Patent Number:	5332476
Patent Number:	5490906
Patent Number:	7504005
CORRESPONDENCE DATA	
Fax Number:	
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	4157888811
Email:	rma@pacificcounsel.com
Correspondent Name:	Rachel Ma
Address Line 1:	433 California St. #810
Address Line 4:	San Francisco, CALIFORNIA 94104
NAME OF SUBMITTER:	Rachel Ma
	This document serves as an Oath/Declaration (37 CFR 1.63).
Total Attachments: 10	
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## ASSET TRANSFER AGREEMENT

THIS ASSET TRANSFER AGREEMENT (the "Agreement")

is made as of August 1, 2012,

BETWEEN

1. Distilled Water Technology, LLC ("DWT"), a California limited liability company, and
2. Dr. Naisin Lee ("Transferor"), a natural person with his primary residence in the state of California,

WHEREAS

(A) Transferor has agreed to sell and/or transfer all of his applicable rights, title and interest in the Assets (as defined below) to DWT, and

(B) DWT has agreed to purchase and accept the Assets for the Consideration as defined below.

NOW, IT IS AGREED as follows:

### 1.1 Definitions and Interpretation.

*Affiliate* means any other Person that, at the time of determination, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, such first Person.

*Assets* means (i) all right, title and exclusive interest to patents, trademarks, other Intellectual Property Rights associated with the business of Transferor and (ii) intangible property related to the business of Transferor including customer lists, records, and tangible assets including masks and inventory. A list of the Assets is provided in Appendix A to this Agreement.

*Business Day* means a day (other than a Saturday or Sunday) on which banks generally are open in the United States for the transaction of a full range of business.

*Completion* means completion of the transfer hereunder in accordance with Section 3.

*Consideration* has the meaning given to it Section 2.2.

*Intellectual Property Rights* means any trademark, service mark, registration thereof or application for registration therefor, trade name, license, invention, patent, patent application, trade secret, trade dress, know-how, copyright, copyrightable materials, copyright registration, application for copyright registration, software programs, databases, and any other type of proprietary intellectual property right, whether registered or unregistered, domestic or foreign.

**Person** means any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including any government entity.

**Transfer Time** means a time to be designated by DWT, which shall be no later than the close of the fifth Business Day after the date of this Agreement, subject to the satisfaction or waiver of all of the conditions set forth in Section 4.

**1.2 In this Agreement:**

- (a) a reference to **sell** or **purchase** or **transfer** includes a reference to procure the sale of or procure the purchase of or procure the transfer of, as the case may be; and
- (b) general words introduced by the word **other** shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of act, matter or thing, nor by the fact that they are followed by particular examples intended to be embraced by the general words.

**2. THE TRANSFER**

- 2.1 Upon the terms and conditions of this Agreement, at the Transfer Time, DWT shall purchase from Transferor and Transferor shall sell, convey, transfer, assign and deliver to DWT, free and clear of all liens, all right, title and interest of Transferor in, to and under all of the Assets. Transferor shall provide necessary documentations and assist DWT in recordation of the transfer of the Intellectual Property Rights with any patent office, trademark office, intellectual property office, or other competent authority in any jurisdiction where such recordation is required or mandatory.
- 2.2 The price for the sale and transfer in Section 2.1 shall be fifty percent membership interest in DWT (the "**Consideration**").
- 2.3 If any sales tax, value added tax, withholding tax or other transfer tax is properly chargeable in respect of the sale and purchase in Section 2.1, such amount shall be paid to the relevant tax authority by DWT on behalf of Transferor.

**3. COMPLETION**

- 3.1 The sale and purchase of the Assets shall be completed, and legal title and ownership in respect of the Assets shall be deemed to pass to DWT, in each case, with effect from the Transfer Time.
- 3.2 At the Transfer Time, Transferor shall:
  - (a) deliver to DWT instruments and documents of conveyance and transfer, in a form reasonably satisfactory to DWT and its counsel, as shall be necessary and effective to transfer and assign to DWT all of Transferor's right, title and interest in and to the

Assets; and

- (b) take all steps and actions as DWT may reasonably request or as may otherwise be necessary to put DWT in actual possession and operating control of the Assets, and do such other things reasonably necessary to give full effect to this Agreement.

**3.3 At the Transfer Time, DWT shall:**

- (a) cause to be delivered or made available to Transferor such additional documents as Transferor may reasonably require to complete the sale and purchase of the Assets; and
- (b) do such other things reasonably necessary to give full effect to this Agreement.

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**4. CONDITIONS PRECEDENT TO COMPLETION**

**4.1** The obligation of DWT to consummate the purchase and sale of the Assets is subject to the satisfaction, or waiver at DWT's sole discretion, of the following conditions:

- (a) The representations and warranties set forth in Section 6 shall be true, complete and accurate in all respects as of the date of this Agreement and as of the Transfer Time;
- (b) DWT shall have performed and complied in all respects with all agreements, obligations and conditions required by this Agreement to be performed or complied with by it on or prior to the Transfer Time,
- (c) At the Transfer Time there shall be no effective injunction, writ, preliminary restraining order or any order of any nature issued by any competent governmental or regulatory authority restraining, prohibiting or imposing conditions upon the consummation of the transactions in this Agreement.
- (d) At the Transfer Time there not be pending or threatened any proceeding by a third-party to enjoin or otherwise restrict the consummation of the transactions in this Agreement.
- (e) DWT and Transferor (including their respective subsidiaries and Affiliates, as applicable) shall have obtained all required approvals and consents from existing shareholders or other relevant Parties, including but not limited to board approvals, registration approvals and government approvals.
- (f) Transferor shall have delivered to DWT documentation guaranteeing ownership of the Assets, in a form reasonably satisfactory to DWT.

**4.2** In the event any of the conditions set forth in Section 4.1 shall not have been met or waived in writing by Transferor within five Business Days of the date of this Agreement,

DWT may terminate this Agreement by written notice to Transferor, upon which Transferor shall waive any rights to membership interests in DWT.

## 5. LICENSES

- 5.1 Transferor grants to DWT a perpetual, royalty-free, non-exclusive license to use all know-how, techniques, ideas, processes and similar intellectual property that (i) was created, invented or developed by Transferor prior to the Transfer Time and (ii) relates to the business of DWT, but is not included in the Assets. DWT may sublicense this license solely in connection with the operation of its business, and not for the independent use of any third party. DWT may assign this license only in connection with the merger, reorganization or sale of the business of DWT to which this license relates. Any purported sublicense or assignment by DWT in violation of the foregoing shall be null and void and of no force or effect. To the extent Transferor or any affiliate (other than DWT), on the one hand, and DWT or any current or future affiliate, on the other hand, enter into any future agreement governing a party's use of specific items of intellectual property of the other party, such specific provisions (and the term of any such permitted use) shall be deemed to supersede and modify accordingly the above general license.

## 6. REPRESENTATIONS AND WARRANTIES

- 6.1 The following representations and warranties are made and given by the Transferor to DWT and expressly survive the closing of this agreement. The representations and warranties are true as of the date of this agreement and will be true as of Transfer Time when they shall continue as warranties according to their terms. At the option of DWT, the representations and warranties may be treated as conditions of the closing of this agreement in favor of DWT. However, the closing of this agreement shall not operate as a waiver or otherwise result in a merger to deprive DWT to sue the Transferor for breach of warranty in respect of any matter warranted whether or not as ascertained by DWT prior to closing.
- a) Transferor is a resident of the State of California within the meaning of the United States Internal Revenue Code of 1986, as amended,
  - b) The Transferor owns and has the right to sell the Assets,
  - c) The Assets are free and clear of all liens, encumbrances, and charges. Transferor has the power and the right to sell, assign, transfer and deliver to DWT, and upon consummation of the transactions contemplated by this Agreement, DWT will acquire, good, valid and marketable title to, the Assets, free and clear of all mortgages, pledges, liens, security interests or other such encumbrances or charges of any kind.

- d) Until the Transfer Time, Transferor shall not, without written consent of DWT dispose of or encumber any of the Intellectual Property Rights to be sold hereunder. The Intellectual Property Rights shall not be adversely affected in any material respect in any way, and Transferor will not do anything before or after closing to prejudice the Intellectual Property Rights.
- e) Transferor has made full and fair disclosure in all material respects of any matter that could reasonably be expected to affect DWT's decision to purchase the Assets agreed to be bought on the terms set out in this Agreement.
- f) The current use by Transferor of the Assets does not infringe, and the use by DWT or any of its Affiliates of the Assets after the Closing will not infringe, upon the rights of any other Person.
- g) No infringement, misappropriation or similar claim or action is pending or threatened against Transferor or its Affiliates, and neither Transferor nor its Affiliates has ever received any notice or communication requesting, claiming or demanding any of the foregoing.
- h) Neither Transferor nor its Affiliates has ever received any notice or other communication (in writing or otherwise) relating to any objection, challenge or the like from any Person, court or competent authority with respect to the validity or enforceability of Transferor's Intellectual Property Rights.
- i) Neither Transferor nor its Affiliates has ever received any notice or other communication (in writing or otherwise) relating to any actual, alleged or suspected infringement, misappropriation or violation by Transferor or its Affiliates of any Intellectual Property Rights of another Person, including any letter or other communication suggesting or offering that the Transferors or its Affiliates obtain a license to any Intellectual Property Rights of another Person.
- j) To the knowledge of Transferor, no Person has infringed, misappropriated or otherwise violated, and no Person is currently infringing, misappropriating or otherwise violating, any Intellectual Property Rights of Transferor.
- k) No present or former employee of Transferor and no other Person owns or has any proprietary, financial or other interest, direct or indirect, in whole or in part, in any of the Assets or the Intellectual Property Rights of the Assets, or in any application for Intellectual Property Rights of the Assets, which Transferor owns, possesses or uses in its operations as now or heretofore conducted.

## **7. INDEMNIFICATION**

All of the representations, warranties, covenants and obligations contained in this Agreement or in any instrument or document delivered pursuant to this Agreement shall survive the execution of this Agreement and the Transfer Time, notwithstanding any investigation heretofore or hereafter made by or on behalf of any party hereto. Transferor shall reimburse and indemnify and hold DWT and each of its directors, officers, members, shareholders, employees, representatives and agents harmless against and in respect of any and all damage, loss, liability, deficiency, settlement payments, costs, levies, expenses or obligations, whether or not the result of a third party claim in connection, resulting from or relating to (i) any misrepresentation, breach of representation or warranty or nonfulfillment of any covenant or agreement on the part of Transferor under this Agreement, (ii) any claim that any of the Assets constitutes infringement of the copyright, trademark, patent or other Intellectual Property Right, of any Person, and (iii) any and all actions, suits, claims, allegations, proceedings, investigations, audits, demands, assessments, fines, judgments, settlements, levies, costs and other expenses (including without limitation actual costs of investigation and attorneys' fees and other costs and expenses) incident to any of the foregoing.

## **8. ENTIRE AGREEMENT**

This Agreement (including the Exhibits, which are hereby incorporated in the terms of this Agreement) sets forth the entire understanding and agreement among the parties as to matters covered herein and therein and supersedes any prior understanding, agreement or statement (written or oral) of intent among the parties with respect to the subject matter hereof.

## **9. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

## **10. VARIATION**

No waiver shall be deemed to have been made by any party of any of its rights under this Agreement unless the same is in writing and is signed on its behalf by an authorized signatory. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the party granting such waiver in any other respect or at any other time. To be binding, any amendment of this Agreement must be effected by an instrument in writing signed by the parties.

## 11. NOTICES

All notices, demands, instructions, waivers, consents or other communications to be provided pursuant to this Agreement shall be in writing, shall be effective upon receipt, and shall be sent by hand, facsimile, air courier or certified or registered mail, return receipt requested, as follows:

If to DWT: 2154 Chisin Street, San Jose, CA 95121

If to Transferor: P.O. Box 3808, Los Altos, CA 94024

or to such other address as a party may specify by notice from time to time in writing to the other parties in the manner specified in this Section.

## 12. COSTS

Transferor and DWT shall each pay its own taxes, costs, charges and expenses incurred in connection with the preparation and implementation of this Agreement and the transactions contemplated by it. DWT will pay for the costs associated with the recordation of the transfer of the Intellectual Property Rights with any patent office, trademark office, intellectual property office, or other competent authority in any jurisdiction where such recordation is required or mandatory.

## 13. GOVERNING LAW


This Agreement shall be governed and construed in accordance with the laws of the State of California. The Parties agree that any claim or dispute between them or against any agent, employee, successor, or assign of the other, whether related to this agreement or otherwise, and any claim or dispute related to this agreement or the relationship or duties contemplated under this contract, including the validity of this arbitration clause, shall be resolved by binding arbitration by the American Arbitration Association, under the Arbitration Rules then in effect. Any award of the arbitrator(s) may be entered as a judgment in any court of competent jurisdiction.

Each party shall bear its own expenses incurred in connection with arbitration and the fees and expenses of the arbitrator shall be shared equally by the parties involved in the dispute and advanced by them from time to time as required. The arbitrator shall render its final award within sixty (60) days, subject to extension by the arbitrator upon substantial justification shown of extraordinary circumstances, following conclusion of the hearing and any required post-hearing briefing or other proceedings ordered by the arbitrator.

AS WITNESS, this Agreement has been signed by or on behalf of the parties the day and year first above written.

Date:

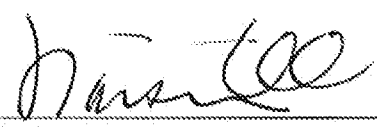
Aug 1st, 2012

  
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LANG CHOU

Member, Distilled Water Technology, LLC

Date:

Aug. 1st, 2012

  
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DR. NAISIN LEE

for Himself

## APPENDIX A

### LIST OF TRANSFERRED ASSETS

Title	Country	Status	Serial No. Filing Date	Patent No. Issue Date
Distillation Apparatus and Method	Republic of Korea	Issued	89-8332 June 16, 1989	130988 Nov 25, 1997
Water Distillation and Aeration Apparatus	USA	Issued	07/978,302 Nov 17, 1992	5,332,476 Jul 26, 1994
Fluid Distillation Apparatus	Japan	Issued	503677/94 May 10, 1993	3311353 May 24, 2002
Fluid Distillation Apparatus	USA	Issued	07/881,407 May 11, 1992	5,490,906 Feb 13, 1996
Fluid Distillation Apparatus Having Improved Efficiency	Australia	Issued	2004243045 May 19, 2004	2004243045 June 11, 2009
Fluid Distillation Apparatus Having Improved Efficiency	China	Issued	200480013843.X May 19, 2004	ZL200480013843.X Jul 9, 2008
Fluid Distillation Apparatus Having Improved Efficiency	Germany	Issued	047528005 May 19, 2004	1626935 Feb 1, 2012
Fluid Distillation Apparatus Having Improved Efficiency	European Patent Office	Issued	04752800.5 May 19, 2004	1626935 Feb 1, 2012
Fluid Distillation Apparatus Having Improved Efficiency	Spain	Issued	047528005 May 19, 2004	1626935 Feb 1, 2012
Fluid Distillation Apparatus Having Improved Efficiency	France	Issued	047528005 May 19, 2004	1626935 Feb 1, 2012
Fluid Distillation Apparatus Having Improved Efficiency	United Kingdom	Issued	047528005 May 19, 2004	1626935 Feb 1, 2012

Fluid Distillation Apparatus Having Improved Efficiency	Indonesia	Issued	W-00200503103 May 19, 2004	ID P0028635 June 30, 2011
Fluid Distillation Apparatus Having Improved Efficiency	India	Issued	5266/DELNP/20 05 May 19, 2004	236450 Oct 30, 2009
Fluid Distillation Apparatus Having Improved Efficiency	Italy	Issued	047528005 May 19, 2004	1626935 Feb 1, 2012
Fluid Distillation Apparatus Having Improved Efficiency	Japan	Issued	2006-533250 May 19, 2004	4503610 April 30, 2010
Fluid Distillation Apparatus Having Improved Efficiency	Republic of Korea	Issued	2005-7022034 May 19, 2004	1127710 March 9, 2012
Fluid Distillation Apparatus Having Improved Efficiency	Mexico	Issued	PA/a/2005/0124 28 May 19, 2004	274743 March 24, 2010
Fluid Distillation Apparatus Having Improved Efficiency	Russian Federation	Issued	2005140036 May 19, 2004	2344086 Jan 20, 2009
Fluid Distillation Apparatus Having Improved Efficiency	Turkey	Issued	047528005 May 19, 2004	1626935 Feb 1, 2012
Fluid Distillation Apparatus Having Improved Efficiency	USA	Issued	11/280,078 Nov 15, 2005	7,504,005 March 17, 2009
Apparatus and Method for Distilling Liquid	Vietnam	Issued	1-2005-01850 May 19, 2004	9068 Feb 15, 2011