

## PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1  
 Stylesheet Version v1.2

EPAS ID: PAT3437094

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	LICENSE
<b>CONVEYING PARTY DATA</b>	
<b>Name</b>	<b>Execution Date</b>
MR ROY E. MCALISTER	10/09/2009
MCALISTER TECHNOLOGIES, LLC	10/09/2009
<b>RECEIVING PARTY DATA</b>	
<b>Name:</b>	ADVANCED GREEN TECHNOLOGIES, LLC
<b>Street Address:</b>	7030 WEST OAKLAND STREET
<b>Internal Address:</b>	SUITE 101
<b>City:</b>	CHANDLER
<b>State/Country:</b>	ARIZONA
<b>Postal Code:</b>	85226
<b>PROPERTY NUMBERS Total: 4</b>	
<b>Property Type</b>	<b>Number</b>
Application Number:	13831748
Application Number:	61725450
Application Number:	14279183
PCT Number:	US1369746
<b>CORRESPONDENCE DATA</b>	
<b>Fax Number:</b>	(480)921-3994
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>	
<b>Phone:</b>	480-921-2755
<b>Email:</b>	Peter.Borghetti@agigreentech.com
<b>Correspondent Name:</b>	PETER J. BORGHETTI, ESQ.
<b>Address Line 1:</b>	ADVANCED GREEN TECHNOLOGIES, LLC
<b>Address Line 2:</b>	7030 WEST OAKLAND STREET, SUITE 101
<b>Address Line 4:</b>	CHANDLER, ARIZONA 85226
<b>ATTORNEY DOCKET NUMBER:</b>	8335.US01
<b>NAME OF SUBMITTER:</b>	PETER J. BORGHETTI
<b>SIGNATURE:</b>	/PeterJBorghetti/
<b>DATE SIGNED:</b>	07/14/2015

**Total Attachments: 25**

source=Agreement#page1.tif  
source=Agreement#page2.tif  
source=Agreement#page3.tif  
source=Agreement#page4.tif  
source=Agreement#page5.tif  
source=Agreement#page6.tif  
source=Agreement#page7.tif  
source=Agreement#page8.tif  
source=Agreement#page9.tif  
source=Agreement#page10.tif  
source=Agreement#page11.tif  
source=Agreement#page12.tif  
source=Agreement#page13.tif  
source=Agreement#page14.tif  
source=Agreement#page15.tif  
source=Agreement#page16.tif  
source=Agreement#page17.tif  
source=Agreement#page18.tif  
source=Agreement#page19.tif  
source=Agreement#page20.tif  
source=Agreement#page21.tif  
source=Agreement#page22.tif  
source=Agreement#page23.tif  
source=Agreement#page24.tif  
source=Agreement#page25.tif

**LICENSE AGREEMENT**

**OF**

**MCALISTER TECHNOLOGIES,LLC &  
ADVANCED GREEN TECHNOLOGIES, LLC**

## LICENSE AGREEMENT

This License Agreement (this "*Agreement*"), dated as of October 9, 2009, is made and entered into by and between Roy McAlister, an individual and McAlister Technologies, an Arizona limited liability company (collectively "*McAlisterTech*"); and Advanced Green Technologies, a Nevada limited liability company ("*AGT*"). McAlisterTech and AGT may be referred to collectively as the "*Parties*" and individually as a "*Party*."

The purpose of this agreement is to establish a long-term relationship between the parties to facilitate and participate in development of technologies, products and services to will make possible a renewable, sustainable economy -- and will advance and provide much higher returns on investments on existing achievements of the industrial revolution, such as, more than 800 million heat engines (mobile and stationary); equipment to harness solar, wind, moving water, geothermal, biomass and other renewable resources along with infrastructure components including natural gas and oil wells, fuel distribution pipelines, electricity grids, highways, railroads, waste disposal equipment and facilities, and various marine structures.

## RECITALS

A. McAlisterTech owns or controls certain inventions, patents, related technical data, business plans, and information more specifically described in this Agreement as the Patent Rights, Inventions and Know-How (each as defined below).

B. AGT desires to acquire from McAlisterTech a license to the Patent Rights, Inventions and Know-How for the purpose of developing, manufacturing, marketing, selling and commercializing inventions, discoveries, products, services, or technologies covered by the Patents, Inventions or Know-How, and McAlisterTech is willing to grant such license to AGT, upon the terms and conditions set forth in this Agreement.

## AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, the Parties agree as follows:

### Section 1 Definitions

Terms used in this Agreement with initial letters capitalized will have the meanings set forth in the attached *Exhibit A*.

### Section 2 Grant of Rights

2.1 **License.** Subject to the terms of this Agreement (expressly including Section 6 diligence requirements), McAlisterTech hereby grants to AGT an exclusive (except as set forth in Section 2.2)

worldwide, transferable, sublicensable license of all rights of any kind conferred by the Patent Rights, Inventions and Know-How, including, without limitation, the rights of any kind to, or conferred by, the Patent Rights, Inventions and Know-How to (a) use or otherwise practice any art, methods, processes, and procedures covered by the Patent Rights, Inventions or Know How, (b) Make, have Made, Use, Develop, Sell, offer for Sale, export and import, and otherwise commercially exploit any inventions, discoveries, products, services, or technologies covered by the Patent Rights, Inventions or Know-How, (c) otherwise exploit any rights granted in the Patent Rights and/or any invention or discovery described in the Patent Rights, and (d) exclude any Third Party (except as set forth in Section 2.2) from exercising any of such rights. McAlisterTech has informed and delivered and will continue to deliver to AGT all tangible forms of the Know-How in its possession.

**2.2 Reserved License Rights.** The license granted pursuant to Section 2.1 is subject to the rights of, and obligations to, the third parties under the previous license agreements related to the Patent Rights, Inventions and Know-How set forth in the attached *Exhibit B*.

**2.3 McAlisterTech's Rights.** Except as expressly granted to AGT in this Agreement, nothing herein will confer rights to AGT in any patents, know-how or materials owned or controlled by McAlisterTech. AGT will not use, and will not allow Sublicensees to use, the Patent Rights, Inventions and Know-How for any purpose other than as expressly licensed to AGT under this Agreement.

### **Section 3 Sublicensee**

**3.1 Sublicensing.** AGT may sublicense the rights granted to it under Section 2.1 provided that each sublicense will be consistent with the terms of this Agreement.

**3.2 Assignment of Sublicenses.** If this Agreement is terminated for material breach by AGT, any Sublicensee who is not then in material breach of its Sublicense will have its sublicense agreement converted to a direct license from McAlisterTech under the terms and conditions of this Agreement, as further limited and restricted by the terms of the original sublicense agreement. In the event of such assignment, the sublicense agreement will remain in full force and effect with McAlisterTech as the licensors or sublicensors instead of AGT; provided that, unless otherwise agreed upon by McAlisterTech the duties of McAlisterTech under the assigned sublicense agreement will not be greater than the duties of McAlisterTech under this Agreement, and the rights of McAlisterTech under the assigned sublicense agreement will not be less than the rights of McAlisterTech under this Agreement including all financial considerations.

### **Section 4. Payments**

**4.1 Equity Compensation.** Within sixty (60) days after the Effective Date, AGT will issue to Roy McAlister (sole owner of McAlisterTech 4100 units of AGT's membership interest, which represents Forty-one percent (41%) of the issued and outstanding units of AGT as of the Effective Date, pursuant to a subscription agreement substantially in the form attached as *Exhibit C*.

## **Section 5      Improvements**

### **5.1      Improvements**

(a)      As between the Parties, except as set forth in Section 5.1(b) and 5.1(c), AGT will own all Proprietary Rights in any patentably distinct Inventions and/or Improvements as defined in *Exhibit A*, regardless of inventorship, and AGT reserves any and all Proprietary Rights that it may now or hereafter have in such Improvements by employees that are not Members of McAlisterTech.

(b)      McAlisterTech will retain all ownership in all Patent Rights as defined in *Exhibit A*.

(c)      McAlisterTech will own all Proprietary Rights in any trade secrets or Inventions described in *Exhibit F*, to be completed within ninety (90) days of the execution of this Agreement.

(d)      AGT and McAlisterTech further agree to cooperate according to provisions of this agreement with any patent preparation and prosecution in order to perfect any Proprietary Rights.

(e)      This Agreement will not be interpreted or construed to require AGT to register, apply for, effect, perfect, maintain or enforce any Proprietary Rights that it may now or hereafter have in the Improvements. AGT reserves the sole and exclusive right to register, apply for, effect, perfect, maintain and enforce the Proprietary rights it may have in the patentably distinct Inventions and Improvements.

## **Section 6      Diligence**

**6.1      AGT Milestones.** Upon the execution of this Agreement, AGT will use commercially reasonable efforts to develop the licensed technology according to the following classifications. AGT has the sole discretion for making all decisions as to how to commercialize any such products, services, or technologies. AGT will be deemed to have satisfied its obligations under this Section 6 upon substantial compliance with the following requirements according to the technology classification:

(a)      **Core Technologies.** Core Technology will include Patent Rights, Inventions or Know-How related to the following fields of use: (1) Waste-to-energy electrolyzer systems; (2) multifuel injector devices; (3) storage tank; (4) biodigesters; (5) dry biomass conversion; (6) tattletale; (7) finger tight high pressure fittings; (8) carbon sequestration; (9) thermochemical regeneration; and advanced internal combustion engines. AGT will secure funding to fund research and development of working prototypes of the Core Technology. Research and development funds will include acquisition and installation of machine shop equipment and material development systems for demonstration, test marketing, and production of certain selected components including commercial grade prototypes of the Core Technologies.

(ii) Further in accordance with Section 5.1 Improvements, AGT will have the first right, but not any obligation, to register, apply for, effect, perfect, maintain and enforce the Proprietary Rights in the Advanced Development Technology.

(iii) AGT will use commercially reasonable efforts to procure sublicensing agreements under which AGT will license the right to Develop, Make and Sell products, services or technologies covered by the Patent Rights, Inventions or Know-How in order to establish a revenue stream.

(iv) AGT will use commercially reasonable efforts to provide the following minimum annual research and development funding amounts for the Core Technology: \$1,000,000 (one-million dollars).

(v) Upon receipt of a working commercial prototype in a Core Technology field of use from McAlisterTech, AGT will have two years to use commercially reasonable efforts to achieve the following Minimum Aggregate Annual Revenue for each Core Technology field of use: at least \$100,000. Failure to achieve the Minimum Aggregate Revenue for each Core Technology shall cause the exclusive license for that core technology to revert to a non-exclusive license.

**(b) Advanced Development Technology or Technology Ancillary to Core Technology.** Advanced Development Technology will include Patent Rights, Inventions or Know-How related to the Core Technology but outside of the 5 year business plan of AGT.

(i) Further in accordance with Section 5.1 Improvements, AGT will have the first right, but not any obligation, to register, apply for, effect, perfect, maintain and enforce the Proprietary Rights in the Advanced Development Technology.

(ii) AGT will use commercially reasonable efforts to procure sublicensing agreements under which AGT will license the right to Develop, Make and Sell products, services or technologies covered by the Patent Rights, Inventions or Know-How and will endeavor to market them within 2 years after McAlisterTech produces a working commercial prototype.

(iii) After 5 years, any Advanced Development Technology Patent Rights, Inventions or Know-How shall either be commercialized under the Core Technology Milestones or shall be designated as Non-Core Technology.

**(c) Non-Core Technology.** AGT will allocate an annual budget to McAlisterTech for use in paying the filing fees for U.S. provisional and nonprovisional patent applications which are outside Non-Core Technology and Advanced Development Technology.

(i) AGT will provide McAlisterTech access to support personal and facilities for use in developing non-commercial prototypes of the Non-Core Technology. AGT will allocate the following budget for Non-Core Technology patent filing fee support:

Year 1	\$5,000
Year 2	\$10,000
Year 3	\$15,000
Year 4	\$20,000
Year 5 and beyond	\$25,000

- (ii) Non-Core Technology budget will be used by McAlisterTech for actual or constructive reduction to practice (e.g. filing of the patent application).
- (iii) McAlisterTech grants a non-exclusive worldwide license with the right to sublicense to AGT in any Non-Core Technology.
- (iv) If McAlisterTech enters into a non-exclusive license agreement with a third party for any Non-Core Technology, McAlisterTech agrees to pay twenty-five percent (25%) of all license fees, royalties or other payments collected under such license agreement to AGT.
- (v) AGT may choose to identify Non-Core Technology as Advanced Development Technology or Core Technology. Designating the Non-Core Technology as Advanced Development Technology or Core Technology will provide AGT with an exclusive license to the technology and will start a 5 year time frame in which AGT will commercially develop the technology. If AGT does not commercially develop the technology, the technology will revert to a Non-Core Technology designation and a non-exclusive license.

**6.2 McAlisterTech Milestones.** Upon the execution of this Agreement, McAlisterTech will use commercially reasonable efforts to produce working commercial prototypes of the licensed technology according to the agreed commercialization plan. McAlisterTech will be deemed to have satisfied its obligations under this Section 6.2 upon substantial compliance with the following requirements:

- (a) Roy McAlister shall work for AGT in accordance with a separately executed Employment Agreement.
- (b) McAlisterTech agrees to license its technology in accordance with this Agreement.
- (c) McAlisterTech agrees to reduce to practice and create a working commercial prototype for each technology. The working commercial prototype will embody the functional aspects of the invention and provide demonstratable results by operating in the environment it was designed to operate in.
- (d) McAlisterTech agrees to work with AGT to develop and approve a commercialization plan for each technology.
- (e) McAlisterTech agrees to provide all documentation, Know-How, and invention disclosures to AGT to allow AGT to secure Patent Rights for the technology in accordance with this Agreement.
- (f) McAlisterTech agrees to copy AGT on all Intellectual Property correspondence including correspondence related to the Patent and Trademark Rights from the USPTO, foreign associates, or foreign patent offices on all Core, Advanced Development and Non-Core Technology. McAlisterTech agrees to provide such copy five (5) working days in advance of filing to allow AGT an opportunity to comment and redact the correspondence prior to submission.

**6.3 Failure to Meet Milestones.** If either Party fails to accomplish the diligence requirements set forth in paragraph 6.1 or 6.2 above, that Party shall notify the other Party in writing of its concerns and will undertake good faith negotiations in accordance with Section 15.1 to address such concerns.



## **Section 7 Books and Records**

**7.1 Books and Records.** AGT will keep, or cause to be kept, accurate books and records in reasonable detail of Sales of products, services, or technologies and will retain such books and records at its principal place of business for at least two (2) years after the end of the calendar year to which they pertain.

**7.2 Sublicensees.** AGT will include in each sublicense granted by it pursuant to this Agreement a provision requiring the Sublicensee to make reports to AGT, to keep and maintain books and records and to grant access to such books and records by an independent certified public accounting firm of nationally recognized standing, selected by AGT.

## **Section 8 Taxes**

Each Party will pay any taxes imposed upon it by applicable law with respect to any amounts paid to it under this Agreement.

## **Section 9 Patent Prosecution**

**9.1 Prosecution and Maintenance.** During the Term of the Agreement, AGT will file, prosecute and maintain the patents and patent applications comprising the Patent Rights. Patent applications and/or patents derived from inventions by McAlisterTech members shall be held in the name of McAlisterTech but will be procured by counsel of McAlisterTech and AGT's choice by mutual approval, who will bill AGT directly. AGT and McAlisterTech will communicate and work together with each other to provide direction to the patent counsel chosen. AGT will promptly provide McAlisterTech with copies of each patent application, office action, response to office action, request for terminal disclaimer, and request for reissue or reexamination of any patent or patent application under the Patent Rights. AGT will consider any comments or suggestions by McAlisterTech. If McAlisterTech has not commented upon any such materials, information or correspondence in reasonable time for AGT to sufficiently consider McAlisterTech's comments prior to a deadline with the relevant government patent office, or AGT must act to preserve the Patent Rights, then AGT is entitled to take action to preserve rights without consideration of that McAlisterTech's comments, if any.

**9.2 Patent Prosecution Costs.** AGT will bear all Patent Prosecution Costs incurred during the term of this Agreement in the preparation, filing, prosecution and maintenance of patent applications and patents in the Patent Rights. Prosecution includes interferences, oppositions and any other inter parties matters originating in a patent office.

**9.3 Abandonment of Patent Rights.** AGT will promptly notify McAlisterTech in the event AGT decides at any time to abandon or discontinue prosecution or maintenance of any one or more of the patents or patent applications in the Patent Rights not to file any counterpart application in any country. Such notification will be given as early as possible which in no event will be less than thirty (30) days prior to the date on which such patents or patent applications become abandoned. McAlisterTech will have the option at his sole expense, but not the obligation, exercisable upon written notification to AGT, to assume full responsibility for the prosecution of the affected patent applications and maintain any issued patents associated

therewith. If AGT gives McAlisterTech such notice, then AGT will have no further rights or licenses to such abandoned or discontinued patents or patent applications.

**9.4 Patent Markings.** AGT will cause all products, services, or technologies covered by the Patent Rights to be marked with applicable Patent Rights in accordance with applicable patent laws.

## **Section 10 Infringement**

**10.1 Notification of Infringement.** Each Party agrees to provide written notice to the other Party promptly after becoming aware of any actual or potential infringement of the Patent Rights in the Licensed Field and will supply the other Party with all evidence possessed by it pertaining to and establishing such infringement.

**10.2 Right to Prosecute Infringements.** AGT, to the extent permitted by law, will have the sole right, but not the obligation, at its cost and expense, to bring an action against any Third Party for infringement of the Patent Rights in the Licensed Field. Such right will include the right to obtain equitable relief and recover any provisional and other damages awarded in consequence of any past, actual or alleged infringement of the Patent Rights. If required by law, McAlisterTech will permit any action under this Section 10.2 to be brought in his name, including being joined as a party-plaintiff. McAlisterTech, at AGT's cost and expense (but without charge by McAlisterTech), will cooperate with AGT in any such action and will have the right to participate in such action, including the right and opportunity to review and comment in advance on any material substantive filings or proceedings. If AGT in its discretion elects not to pursue any action against a suspected infringer, AGT will promptly and timely notify McAlisterTech of such election, and the Licensors may in their discretion pursue such action and will notify AGT of McAlisterTech's intent to do so. Absent a reasonable written objection by AGT, McAlisterTech may, at its sole expense, proceed with the prosecution of any action with respect to stopping the possible infringement, provided that AGT will have the right to participate in such action, at its own expense, and will have the opportunity to review and comment in advance on any material substantive filings or proceedings in such action.

**10.3 Declaratory Judgment Actions.** In the event that a declaratory judgment action is initiated by a Third Party against McAlisterTech or AGT, independently of any action under Section 10.2, alleging that activity by the Third Party does not infringe one or more claims of any Patent Rights (i.e. for reasons other than invalidity or unenforceability), AGT, at its option, will have the right within twenty (20) days after commencement of such action to take over the sole defense of the action at its own expense. If AGT does not exercise its foregoing rights, McAlisterTech may (but is not obligated to) take over the sole defense of the action at his sole expense.

**10.4 Validity Challenge.** Notwithstanding AGT defending itself in any challenge or action, AGT hereby agrees to refrain from any challenge or action against the interests of McAlisterTech regarding the validity of any patent developed by McAlisterTech. In the event that the validity or enforceability of a Patent Right is challenged in any action under Section 10.2 or 10.3, if either Party is not a Party to the action, such Party may join or otherwise participate in

the action at its own expense solely with respect to such challenge to the validity or enforceability of such Patent Rights.

**10.5 Settlement.** Either Party will enter into any settlement, consent judgment, or other voluntary final disposition of any action concerning the Patent Rights that is materially prejudicial to the other Party's rights in the Patent Rights without the other Party's prior written approval, which approval will not be unreasonably withheld or delayed.

**10.6 Recoveries.** Any recovery or damages received, whether by settlement or judgment, by either Party in an action brought under Section 10.2, or defended under Section 10.3, will first be applied to pay each Party's reasonable out-of-pocket costs and expenses associated with bringing or defending the action. If AGT brought or defended the action, the balance of any recovery or damages will then be awarded 100 percent (100%) to AGT. If McAlisterTech brought or defended the action, the balance of any recovery or damages will then be awarded 100 percent (100%) to McAlisterTech.

**10.7 Cooperation.** The Parties will fully cooperate with each other in the planning and execution of any infringement action brought or declaratory judgment action defended to protect any of the Patent Rights pursuant to this Agreement (subject to reimbursement of each Party pursuant to Section 10.6).

## **Section 11 Representations and Warranties; Disclaimers**

**11.1 Both Parties.** Each Party represents and warrants to the other Party that (a) it has full right, power and authority to enter into this Agreement and to carry out the provisions hereof, (b) it has all necessary corporate approvals for its execution, delivery and performance of this Agreement, (c) this Agreement has been duly executed and delivered on its behalf and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms, (d) it has not, and will not during the Term, grant any rights or enter into any agreement that would conflict with the terms of this Agreement, and (e) it will comply with all applicable international, national or local laws and regulations related to the subject matter of this Agreement.

**11.2 AGT. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 11.1, AGT MAKES NO OTHER REPRESENTATIONS OR WARRANTIES WHATSOEVER EITHER IN FACT OR BY OPERATION OF LAW.**

**11.3 McAlisterTech.** McAlisterTech represents and warrants to AGT as of the Effective Date that (a) it owns or controls the Patent Rights, Inventions, Know-How and McAlisterTech Improvements, (b) there is no action, suit, proceeding, alternative dispute resolution, mediation or investigation pending against McAlisterTech relating to the Patent Rights, Inventions or the Know-How, (c) it has not received written notice of any material claim that the practice of the Patent Rights infringes, misappropriates or violates any intellectual property rights of Third Parties, (d) it is not aware of any patents or pending patent applications of other parties that claim an Invention, and (e) the existing third party rights identified in *Exhibit B* do not extend to any Confidential Information, Improvements, Inventions, Patent Rights and/or Proprietary Rights filed after the execution date of the third party licenses.

EXCEPT FOR THE WARRANTIES SET FORTH IN SECTIONS 11.1, AND 11.3, MCALISTERTECH MAKES NO OTHER REPRESENTATIONS OR WARRANTIES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO THE PATENT RIGHTS AND KNOW-HOW) EITHER IN FACT OR BY OPERATION OF LAW, AND EXPRESSLY DISCLAIMS ANY AND ALL IMPLIED OR STATUTORY WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

## **Section 12 Indemnification; Limitation on Liability**

**12.1 Indemnification by McAlisterTech.** McAlisterTech will indemnify, defend and hold harmless AGT and its directors, officers, employees and agents and their respective successors and assigns (the "*AGT Indemnitees*") from and against all claims, liabilities, damages, losses, fines, penalties and expenses (including reasonable attorneys' fees and costs) ("*Liabilities*") incurred by or imposed upon the AGT Indemnitees or any one of them in connection with any claims, suits or demands of a Third Party arising from or attributable to McAlisterTech's breach of its representations and warranties set forth in this Agreement, except in each case to the extent such Liabilities resulted from the gross negligence or intentional misconduct of any AGT Indemnitees.

**12.2 Indemnification by AGT.** AGT will indemnify, defend and hold harmless McAlisterTech from and against all Liabilities incurred by or imposed upon McAlisterTech in connection with any claims, suits or demands of a Third Party arising from or attributable to (a) AGT's breach of its representations and warranties set forth in this Agreement, or (b) any activities of AGT, its Affiliates or any Sublicensees involving any inventions, discoveries, products, services, or technologies covered by the Patent Rights, Inventions or Know-How or Know-How or Inventions or Patent Rights, except in each case to the extent such Liabilities resulted from the gross negligence or intentional misconduct of McAlisterTech.

**12.3 Indemnification Procedures.** If a Party (the "*Indemnified Party*") becomes aware of a Third Party claim, suit, action, demand or judgment (a "*Claim*") that would give rise to indemnification under this Section 12, then the Indemnified Party will give written notice to the Party (the "*Indemnifying Party*") of such Claim (the "*Indemnification Notice*"). The Indemnification Notice will be provided as soon as reasonably practicable after the Indemnified Party becomes aware of the Claim (provided that failure to give an Indemnification Notice will not limit the Indemnifying Party's indemnification obligation hereunder except to the extent that the delay in giving, or failure to give, the Indemnification Notice adversely affects the Indemnifying Party's ability to defend a Claim). To the extent reasonably practicable, the Indemnification Notice will describe the nature, basis and amount of the Claim and include any relevant supporting documentation. The Indemnifying Party will control the defense of any Claim. With respect to any Claim, the Indemnified Party will give to the Indemnifying Party (a) all relevant facts in its possession or control and (b) its cooperation in the defense of any such Claim. Neither the Indemnified Party nor the Indemnifying Party will settle or consent to the entry of any judgment with respect to a Claim for which indemnification is sought, without the prior written consent of the other Party (which will not to be unreasonably withheld or delayed); provided however, that the Indemnifying Party will have the right to settle or compromise any

Claim without such prior written consent if the settlement or compromise provides for an unconditional release of the Indemnified Party.

### **Section 13 Confidentiality**

**13.1 Confidential Information.** Except as otherwise provided in this Section 13, each Party will keep confidential and not disclose or use (except as contemplated by this Agreement) any Confidential Information received from or on behalf of the other Party.

**13.2 Authorized Disclosure.** Each Party may disclose the other Party's Confidential Information (a) to third parties under terms of confidentiality substantially equivalent to this Section 13 for consulting, manufacturing, development, external testing and marketing trials with respect to inventions, discoveries, products, services, or technologies covered by the Patent Rights, Inventions or Know-How and (b) to the extent such disclosure is reasonably necessary in connection with submissions to regulatory authorities for purposes of this Agreement, filing or prosecuting patent applications within the Patent Rights, prosecuting or defending litigation or complying with applicable governmental regulations; provided, however, that in the event of any proposed disclosure described in clause (b), the disclosing Party will give reasonable advance notice to the other Parties of such disclosure requirement and will use its reasonable efforts to secure confidential treatment of the Confidential Information to be disclosed.

**13.3 Public Announcements; Filings.** Except to the extent required by applicable law or regulations, neither Party will make any announcement, news release, public statement, publication or presentation regarding the material terms of this Agreement without the prior written consent of the other Party, which consent will not be unreasonably withheld. The Parties will agree upon a joint press release announcing the execution of this Agreement and will consult with one another regarding the provisions of this Agreement to be redacted in any filing made by either Party with regulatory agencies (e.g., Securities Commission) or as otherwise required by law. The Parties will use reasonable efforts to coordinate the initial announcement or press release relating to this Agreement such that the Parties' initial announcement or press releases may be made contemporaneously.

### **Section 14 Term; Termination**

**14.1 Expiration.** Unless terminated earlier by agreement of the Parties or pursuant to the terms of this Agreement, the term of this Agreement (the "**Term**") will commence as of the date of this Agreement and will continue until AGT or a Sublicensee no longer Makes, Sells, Develops, markets or commercially exploits any inventions, discoveries, products, services, or technologies derived from the Patent Rights, Inventions, or Know-How.

**14.2 Breach.** Each Party will have the right to terminate the Term of this Agreement after written notice to the other Party in the event the other Party is in material breach of this Agreement (including failure to timely pay any amounts due hereunder), unless the other Party cures such breach within thirty (30) days after the date of notice. Any such termination will not release either Party from any obligations accrued prior thereto.

**14.3 Bankruptcy.** If either Party will become insolvent or make an assignment for the benefit of creditors, or if proceedings in voluntary or involuntary bankruptcy will be instituted on behalf of or against such Party, or if a receiver or trustee of such Party's property will be appointed, the other Party have the right to terminate this Agreement at any time by written notice to the insolvent Party.

**14.4 Effect of Expiration or Termination.** Expiration or termination of this Agreement will not relieve the Parties of any obligation accruing prior to such expiration or termination. Any accrued obligation and the provisions of Sections 5, 7, 10, 11, 12, 13, 14.4, and 15 will survive the expiration or termination of this Agreement. In the event of termination of this Agreement, AGT will have a period of twelve (12) months following termination to sell any inventory of products covered by the Patent Rights, Inventions or Know-How remaining at the date of termination.

## **Section 15 Protection of AGT Business Interests and Dispute Resolution**

**15.1 Protection of AGT Business Interests.** McAlisterTech understands and agrees that AGT has many substantial, legitimate business interests that can be protected only by McAlisterTech agreeing not to compete with AGT except as required by McAlisterTech under the terms and conditions of obligation to licensees of Exhibit E. For the purpose of reasonably protecting these interests, McAlister agrees to the covenants set forth below. McAlisterTech acknowledges that these covenants are reasonable in inception, scope and duration, and do not unreasonable interfere with McAlisterTech's existing business opportunities.

(a) **Covenant not to disclose.** McAlisterTech agrees that information not generally known to the public to which McAlisterTech shall develop, create or be exposed as a result of his license to and employment by AGT is Confidential Information that belongs to AGT. This includes information developed by McAlisterTech, alone or with others, or entrusted to McAlisterTech and/or AGT by its employees, consultants or partners. During the Term and at all times thereafter, McAlister shall hold the Confidential Information in strict confidence and shall not disclose, copy or use it except as authorized in writing by AGT and for AGT's sole and exclusive benefit.

(b) **Covenants not to solicit or compete.** During the Term of this Agreement and for a period of two years following the date of Termination of this Agreement, regardless of the reasons therefore, McAlister shall not, directly or indirectly, alone or with others: (i) solicit, encourage or otherwise influence any AGT employee to leave his or her employment with AGT; (ii) solicit, encourage or otherwise influence or attempt to influence any business interests of AGT to enter into an agreement with anyone other than AGT; (iii) solicit, acquire, divert or otherwise influence or attempt to influence any other person or entity that utilizes AGT's services to seek the same or similar services elsewhere, or otherwise interfere with AGT relationships with such persons and entities; (iv) establish or be an employer, employee, consultant, officer, director, partner, trustee or shareholder of any person or entity that engages in whole or in part in competition with AGT.

**15.2 Dispute Resolution.** All disputes between McAlisterTech and AGT that otherwise would be resolved in court shall be resolved instead by the following alternative dispute resolution process (the "Process").

(a) **Disputes covered.** This Process applies to all disputes between McAlisterTech and AGT, including those arising out of or related to this Agreement or McAlister's employment at AGT or its subsidiaries. This Process applies to disputes McAlisterTech may have with AGT and disputes McAlisterTech may have with any of AGT's directors, employees or agents. This Process does not apply, however, to workers' compensation or unemployment compensation claims by McAlister.

(b) **Mediation.** Before having an arbitration hearing, McAlisterTech and AGT agree to attempt to resolve all disputes by discussion between McAlisterTech and the Executive Management Team of AGT. Notice of any such dispute must be submitted in writing to the other party within 30 days of the date the complaining party learned, or reasonable should have learned, of the dispute. If the dispute cannot be resolved by discussion, the dispute must be submitted to formal mediation. Either party may commence the mediation process by submitting to the other a written request for mediation within 10 days of the date that the parties failed to resolve their dispute through discussion. Mediation is a non-binding process in which a neutral person helps the parties to try to reach an agreement to resolve their disputes. Any failure or refusal to mediate shall not affect the validity of an arbitration award or the obligation to arbitrate. If the parties cannot agree on a mediator within 10 business days, the dispute shall be submitted to the Phoenix office of the Judicial Arbitration and Mediation Services ("JAMS"). In the event that JAMS no longer operates in Phoenix, the dispute shall be submitted to the nearest office of JAMS. The selection of the mediator and the subsequent mediation shall be governed by JAMS' rules. The mediation shall occur no later than 60 days after the date the mediation was requested. The mediator fees shall be divided equally between AGT and McAlisterTech.

(c) **Arbitration.** All disputes that are not resolved by agreement (in mediation or otherwise) shall be determined by binding arbitration. Arbitration is a process in which one or more neutral people decide the case after hearing evidence presented by both parties. There shall be a single neutral arbitrator. If the parties cannot agree on the identity of the arbitrator within 10 days of the arbitration demand, the arbitrator shall be selected through the rules of the American Arbitration Association in Arizona or such other arbitration service as may be mutually agreed upon by the parties. The arbitration hearing shall be held within 180 days of the date an arbitrator is selected, unless this time period is extended by written mutual agreement. In making the decision and award, the arbitrator shall apply applicable substantive law. On issues of state law, the substantive law (not including choice of law rules) of Arizona shall control. The arbitrator may award injunctive relief or any other remedy that would have been available in court. All statutes of limitations that would apply in court shall apply in the arbitration. Questions about whether a dispute must be arbitrated shall be determined by the arbitrator. The arbitrator shall award attorneys' fees, arbitration fees and costs to the prevailing party, with the exception that if McAlisterTech is awarded rights in a technology under this Agreement, or if rights revert to McAlisterTech, McAlisterTech shall repay AGT twice the amount of money that AGT has spent in protecting and developing the intellectual property of the technology and 50% of any subsequent license fees or royalty paid to McAlisterTech for the technology.

(d) **Remedies.** The arbitrator shall have the same power and authority to order any remedy for violation of a statute, regulation, ordinance, or law as would a court of competent jurisdiction. Without limiting the remedies available to AGT, McAlisterTech acknowledges that a breach of the covenants contained in Section 15.1 of this Agreement may result in material irreparable injury to AGT for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat thereof, AGT shall be entitled to obtain a preliminary or permanent injunction restraining McAlisterTech from engaging in activities prohibited by such paragraph or such other relief as may be required to specifically enforce any of the covenants contained herein. AGT may request a court to issue such temporary or interim injunctive relief either before or after mediation or arbitration is commenced. The temporary or interim relief shall remain in effect pending the outcome of mediation or arbitration.

## **Section 16     Miscellaneous**

**16.1     Force Majeure.** Neither Party will be held liable or responsible to the other Party, nor be deemed to have breached this Agreement, for failure or delay in fulfilling or performing any term of this Agreement when such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party, including, but not limited to, fire, floods, embargoes, war, acts of war (whether war be declared or not), insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances, acts of God or acts, omissions or delays in acting by any governmental authority.

**16.2     Assignment.** Neither Party will transfer or assign (by operation of law or otherwise) this Agreement to any Third Party without the other Party's prior written consent which shall not be unreasonably withheld.

**16.3     Severability.** Each Party intends not to violate any public policy, statutory or common law, rule, regulation, treaty or decision of any government agency or executive body thereof of any country or community or association of countries. If any term or provision of this Agreement is held to be invalid, illegal or unenforceable by a court or other governmental authority of competent jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Agreement, which will remain in full force and effect. The holding of a term or provision to be invalid, illegal or unenforceable in a jurisdiction will not have any effect on the application of the term or provision in any other jurisdiction.

**16.4     Notices.** Any consent or notice required or permitted to be given or made under this Agreement by one of the Parties hereto to the other will be in writing, delivered personally or by facsimile (and promptly confirmed by personal delivery, first-class mail U.S. or courier), first-class mail U.S. or courier, postage prepaid (where applicable), addressed to such other Party at the address indicated below, or to such other address as the addressee will have last furnished in writing in accordance with this Section 16.4 and (except as otherwise provided in this Agreement) will be effective upon receipt by the addressee.

If to AGT:

AGT LLC  
230 W. 5<sup>th</sup> Street



Tempe, AZ 85281  
Attn: Kenneth Losch  
Fax: 602.513.7499

If to McAlisterTech: McAlisterTech  
2350 W. Shangri La  
Phoenix, AZ 85029  
Attn: Roy McAlister  
Fax: \_\_\_\_\_

**16.5 Applicable Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Arizona, without reference to the conflicts of law principles thereof, but the scope and validity of any patent or patent application will be governed by the applicable laws of the country of the patent or patent application. The Parties irrevocably consent to the jurisdiction and venue of the state and federal courts located in the State of Arizona in connection with any action relating to this Agreement.

**16.6 Headings.** The captions to the Sections hereof are not a part of this Agreement, but are merely guides or labels to assist in locating and reading the Sections hereof.

**16.7 U.S. Export Laws and Regulations.** Each Party represents and warrants to the other that it does not intend to, nor will it, export from the United States or reexport from any foreign country, or permit a third party to export or reexport, technology or technical information of the other Party to a country where such export or reexport would be in violation of U.S. Export Administration Regulations.

**16.8 Waiver.** The waiver by either Party hereto of any right hereunder or of a failure to perform or breach by the other Party will not be deemed a waiver of any other right hereunder or of any other failure or breach whether of a similar nature or otherwise.

**16.9 Counterparts.** This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

**16.10 Entire Agreement.** This Agreement, along with the Exhibits attached hereto, contains the entire understanding of the Parties and supersedes and cancels all prior understandings, promises and agreements with respect to the subject matter hereof. This Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by both Parties.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

**AGT:**

**Advanced Green Technologies, LLC**

By: \_\_\_\_\_  
Kenneth K. Losch, CEO & President  
Advanced Green Technologies, LLC

**McAlisterTech:**

**McAlister Technologies, LLC**

By: \_\_\_\_\_  
Roy McAlister,  
McAlister Technologies, LLC

**Individual**

**Roy McAlister**

By: : \_\_\_\_\_

**Roy McAlister,**

**As an individual**

**[SIGNATURE PAGE OF MCALISTER TECH -AGT LICENSE AGREEMENT]**

## EXHIBIT A

### Definitions

Whenever used in this Agreement with the initial letter capitalized, the following terms will have the following specified meanings:

**"Affiliate"** means any entity that controls, is controlled by, or is under common control with a Party. An entity will be regarded as in control of another entity if it owns or directly or indirectly controls fifty percent (50%) or more of the voting stock or other ownership interest of the other entity (or if less, the maximum ownership interest permitted by law), or if it possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the entity or the power to elect or appoint fifty percent (50%) or more of the members of the governing body of the entity.

**"AGT Personnel"** means any employee, independent contractor and other personnel of AGT.

**"Business Plans"** means plans to exploit the inventions, innovations, trademarks, and knowhow defined in this document.

**"Claim"** has the meaning provided to it in Section 12.3.

**"Confidential Information"** means all business or technical information, trade secrets, know-how, techniques, data or other information, disclosed by the disclosing Party to the receiving Party in writing and marked confidential or that is disclosed orally and confirmed in writing as confidential promptly following such disclosure. Confidential Information will not include any information that is: (a) already known to the receiving Party at the time of disclosure hereunder (other than from the disclosing Party) as demonstrated by its written records; (b) now or hereafter becomes publicly known other than through acts or omissions of the receiving Party, or anyone to whom the receiving Party disclosed such information; (c) disclosed to the receiving Party by a third party under no obligation of confidentiality; or (d) independently developed by the receiving Party without reliance on the Confidential Information of the disclosing Party as shown by its written records.

**"Develop"** (or such conjugation thereof as the context may require) means design, develop, discover, engineer, create or invent (or such conjugation thereof as the context may require).

**"Effective Date"** means the date stated in the opening paragraph of this Agreement.

**"Indemnification Notice"** has the meaning provided to it in Section 12.4.

**"Indemnified Party"** has the meaning provided to it in Section 12.4.

**"Indemnifying Party"** has the meaning provided to it in Section 12.4.

**"Improvements"** means inventions, or claims to inventions, which constitute advancements, developments, or improvements to the Patent Rights, Inventions or Know-How,

whether or not patentable and whether or not the subject of any patent application, but if patentable are not sufficiently supported by the specification of a previously-filed patent or patent application within the Patent Rights to be entitled to the priority date of the previously-filed patent or patent application.

**"Invention"** means any product, device, design, computer program, work of authorship, composition, formula, technique, know-how, algorithm, method, process, procedure, improvement, discovery or invention, whether or not patentable or copyrightable and whether or not reduced to practice that is (a) described in *Exhibit D* attached hereto, as the same may be amended from time to time, and (b) developed, discovered, authored, created, reduced to practice or made by McAlisterTech, whether solely or jointly with others, during the term.

**"Know-How"** means all proprietary information (including, without limitation, the trade secrets, technical reports, study data, techniques and specifications) which is owned or controlled by McAlisterTech as of the Effective Date and that relates directly to and is necessary or useful for Developing, Making or Using any inventions, discoveries, products, services, or technologies covered by the Patents or Inventions.

**"Liabilities"** has the meaning provided to it in Section 12.1.

**"Make"** (or such conjugation thereof as the context may require) means manufacture, assemble, produce, reproduce or make (or such conjugation thereof as the context may require).

**"Patent Prosecution Costs"** means the costs of preparing, filing, prosecuting in whatsoever manner, and maintaining all United States and corresponding foreign patent applications and resulting patents specified under Patent Rights and the costs of any interferences, oppositions, reexaminations, and reissues.

**"Patent Rights"** means the patents and patent applications owned or controlled by McAlisterTech as set forth in *Exhibit E* attached hereto, together with all divisions, extensions, reissues, reexaminations, substitutions, renewals, continuations, continuations-in-part and foreign counterparts thereof (including supplementary protection certificates) and patents issuing thereon.

**"Proprietary Right"** means any patents, copyrights, trademark, trade secrets, or other intellectual property right (including, without limitation, any moral right) under the laws of any jurisdiction, whether registered, unregistered, statutory, common law or otherwise (including, without limitation, any rights to sue, recover damages or obtain relief for any past infringement, and any rights under any application, assignment, license, legal opinion, or search).

**"Quarter"** means a calendar quarter (i.e., any period of three (3) consecutive months commencing with January, April, July or October).

**"Sale"** (or such conjugation thereof as the context may require) means any sale, transfer, rental, lease, exchange or other disposition or provision of any inventions, discoveries, products, services, or technologies covered by the Patent Rights, Inventions or Know-How to a customer directly or indirectly (e.g., through Affiliates, distributors, dealers, sales representatives, etc.).

**"Sublicensee"** means a Third Party to whom AGT will have granted a sublicense to its rights received hereunder pursuant to Section 2.1. For clarity, an Affiliate will be deemed a Sublicensee if the Licensee grants a sublicense to the Affiliate.

**"Third Party"** means any party other than McAlisterTech, AGT or an Affiliate of either of them.

**"Use"** (or such conjugation thereof as the context may require) means display, execute, perform, practice or use (or such conjugation thereof as the context may require).

**"Valid Claim"** means (a) a claim of an issued and unexpired patent included in the Patent Rights that has not been held unenforceable, unpatentable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been admitted to be invalid or unenforceable through reissue or disclaimer or otherwise, and has not been lost through an interference, reexamination or reissue proceeding and (b) a claim of a pending patent application included in the Patent Rights.

**EXHIBIT B**

**Reserve License Rights**

**Larsen Radax Corporation**

**Trans Energy Corporation**

**Emergent Corporation**

**Joined Alloys, LLC**

**EXHIBIT C**  
**Subscription Agreement**

## EXHIBIT D

### Invention Background

The following table contains a listing of expired patents. A substantial amount of know how that is still proprietary is associated with these expired patents.

Application Number	Publication Number	Filing Date	Title
07/598,154	4,714,513	4/9/1984	Apparatus for fusion welding plastic pipe joints
06/810,307	4,692,537 (A)	12/9/1985	Organosilicon compounds
	4,488,540 (A)	6/1/1983	Solar heating system, and improved heat collecting and radiating components, for livestock-confining buildings
06/500,076			
06/508,132	4,465,721 (A)	6/27/1983	Preparation of polycarbonates
06/312,073	4,458,087	10/16/1981	Organosilicon compounds
06/213,199	4,436,058 (A)	12/4/1980	Hot water supply tank assembly
06/212,751	4,433,557 (A)	12/4/1980	Multiple fluid medium system
06/218,501	4,414,364 (A)	12/22/1980	Stabilization of polyester
06/304,877	4,401,105 (A)	9/23/1981	Solar heating system, and improved heat collecting and radiating components, for livestock-confining buildings
06/136,680	4,371,326 (A)	12/4/1980	Apparatus for making plastic solar panel structure
06/215,444	4,350,663 (A)	12/11/1980	Extrusion apparatus for making stabilized polyester
06/213,198	4,333,789 (A)	12/4/1980	Apparatus for manifolding multiple passage solar panel
06/032,635	4,319,871 (A)	4/23/1979	Apparatus for extruding a thermoplastic material
06/006,240	4,316,436 (A)	1/24/1979	Heat exchanger
06/213,080	4,313,427 (A)	12/4/1980	Heat exchanger
06/032,639	4,301,862 (A)	4/23/1979	Multiple fluid medium system and improved heat exchanger utilized therein
06/172,418	4,300,971 (A)	7/25/1980	Method for manifolding multiple passage solar panel
06/098,814	4,279,244 (A)	11/30/1979	Radiant energy heat exchanger system
06/006,754	4,271,103 (A)	1/26/1979	Plastic solar panel structure and method for making the same
06/032,636	4,265,220 (A)	4/23/1979	Multiple fluid medium system and improved hot water supply tank assembly utilized therein
06/032,634	4,261,338 (A)	4/23/1979	Lapped solar panel roof installation



06/032,633	4,243,779 (A)	4/23/1979	Polycarbonates stabilized by halohydrocarbon, halocarbon or silane groups
05/721,505	4,066,046 (A)	9/8/1976	Method and apparatus for fuel injection-spark ignition system for an internal combustion engine
05/486,910	3,980,061 (A)	7/9/1974	Fuel injection-spark ignition system for an internal combustion engine
05/486,909	3,901,033 (A)	7/9/1974	Vapor pressurized hydrostatic drive
/806,151	3,682,651 (A)	3/11/1969	Microwave Puffing of Cereal Grain and Products Made Therefrom
05/058,934	3,648,458 (A)	7/28/1970	Vapor Pressurized Hydrostatic Drive
04/868,757	3,646,678 (A)	10/23/1969	Dental Drill
/430856	3,286,351 (A)	2/8/1965	Sheet material scribe
05/229,764	3,383,065	2/28/1972	Vapor Pressurized Hydrostatic Drive
05/058,934	3,648,458	7/28/1970	Vapor Pressurized Hydrostatic Drive
05/232,575	3,830,204	3/7/1972	Fuel injection-spark ignition system for an internal combustion engine

# EXHIBIT E

## Patent Rights

Application Number	Publication Number	Filing Date	Title
09/969,860	6,984,305	10/1/2001	Method and apparatus for sustainable energy and materials
08/785,376	6,155,212	1/21/1997	Method and apparatus for operation of combustion engines
09/128,673	6,756,140 (B1)	8/3/1998	Energy conversion system
09/370,431	6,503,584 (B1)	8/9/1999	Compact fluid storage system
09/716,664	6,446,597 (B1)	11/20/2000	Fuel delivery and ignition system for operation of energy conversion systems
08/921,134	6,015,065	8/29/1997	Compact fluid storage system
08/700,577	5,899,071 (A)	8/14/1996	Adaptive thermal controller for heat engines
08/447,108	5,580,086 (A)	5/22/1995	Crash protection method and apparatus
07/755,323	5,394,852	9/5/1991	Method and apparatus for improved combustion engine
07/990,071	5,343,699 (A)	12/14/1992	Method and apparatus for improved operation of internal combustion engines
10/236,820	US20030012985	9/7/2002	Pressure energy conversion systems
12/006774	N/A		Multifuel Storage, Metering and Ignition System
61/153,253	N/A	2/7/2009	Full spectrum and Resource Independence
61/178,442	N/A	2/7/2009	Energy independence
61/237,476	N/A	8/27/2009	Electrolyzer and Energy Independence Technologies
61/237,466	N/A	8/27/2009	Multifuel Multiburst
61/237,425	N/A	8/27/2009	Oxygenated Fuel Production
61/237,479	N/A	8/27/2009	Full Spectrum Energy
61/237,419	N/A	8/27/2009	Carbon Sequestration