06-03-1999

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FORM PTO-1595	1888		U.S. DEPARTMENT OF CO
RP 6-2-99		SHEET	Patent and Tradem
4 6-5-44	101054805		Attorney Docket No: SM
To the Hangrahla Assistant Com	missioner for Dotants: Please record the at	nached original	documents or convithereof

To the Honorable Assistant Commissioner for Facetas. Trease rece	
Name of conveying party(ies): Walter Schmied	2. Name and address of receiving party (a) [] V [] Name: Christina Dix Address: P.O. Box 83476
Additional name(s) of conveying party(ies) attached? Yes No	
3. Nature of conveyance:	City: Fairbanks State: AK ZIP: 99708
★ Assignment	Additional name(s) & address(es) attached? Yes No
Security Agreement Change of Name	
Other	
4. Application number(s) or patent number(s):	<u> </u>
A. Patent Application No(s). 08/926,088	B. Patent No(s).
Additional numbers atta	the execution date of the application is:
5. Name and address of party to whom correspondence concerning document should be mailed:	6. Total number of applications and patents involved: 1
John D. Denkenberger, Esq. CHRISTENSEN O'CONNOR	7. Total fee (37 C.F.R. 3.41):\$\(\frac{40.00}{\}\$ Check No in the amount of \$40.00 is enclosed
JOHNSON & KINDNESSPLLC 1420 Fifth Avenue Suite 2800 Seattle, WA 98101-2347 (206) 682-8100	8. The Commissioner is hereby authorized to charge any fe under 37 C.F.R. §§ 1.16, 1.17 and 1.18 which may required during the entire pendency of the application, credit any overpayment, to Deposit Account No. 03-174 This authorization also hereby includes a request for a extensions of time of the appropriate length required upon t filing of any reply during the entire prosecution of th application.
	E THIS SPACE
/02/1999 MTHAI1 00000186 08926088	
FG: 581 To the best of my knowledge and belief, the foregoing informat original document.	tion is true and correct and any attached copy is a true copy of t
John D. Denkenberger	vankerberger 5.27.99
Name of Attorney or Agent Registration No. 44,060	Signature Date
	ber of pages including cover sheet, attachments and document: 3
OMB No. 0651-0011 (exp. 4/94)	
I hereby certify that this correspondence is being deposit mail with postage thereon fully prepaid addressed to: U.S. R. Gateway 4, Room 335, Washington, D.C. 20231, on Date: 5/27/99	ted with the U.S. Postal Service in a sealed envelope as first cla latent and Trademark Office, Office of Public Records, Cryst

ADDITIONAL NAMES AND ADDRESSES OF RECEIVING PARTIES

2. Robert D. and Victoria Preston P.O. Box 1147 Valdez, AK 99686

Assignment Executed: 07/22/97

3. Christopher Lee Cook P.O. Box 858 Slana, AK 99586 Assignment Executed: 10/9/97

Gregory and Gwendolyn Black 4. P.O. Box 301 Sutton, AK 99674 Assignment Executed: 05/22/98

Roger and Georgia Collin 5. 1361 Cameron Road Elk, CA 95432 Assignments Executed: 05/22/98; 09/25/98 and 01/22/99

6. Herman A. Dillbeck P.O. Box 902 Slana, AK 99586 Assignment Executed: 06/09/1998

7. Scientific Motor Works, Inc. P.O. Box 83476 Fairbanks, AK 99708 Assignment Exeucted: 08/31/98

Jim and Carol Graham 8. Rt. 1, Box 459 Bonners Ferry, ID 83805 Assignment Executed: 9/25/98

9. Joseph P. Kilian Jr. P.O. Box 1947 Valdez, AK 99686 Assignment Executed: 9/25/98

Michael Jolliffe 10. 22000 Petaluma Avenue Fort Bragg, CA 95437 Assignment Executed: 9/25/98 11. Landbank Properties, Inc. P.O. Box 186 Mendocino, CA 95460 Assignment Executed: 1/22/99

12. The Kearney Living Trust dated May 27, 1997 P.O. Box 1299 Mendocino, CA 95460

Assignment Executed: 1/22/99

SMWI\12957151.DOC

For value received, FIVE THOUSAND U.S. DOLLARS (\$5,000.00)	
WALTER SCHMIED	
of P.O. Box 3268 VALDEZ, AK 99686	
(nereinafter ASSIGNOR), hereby sells, assigns, transfers, and sets over unto	
CHRISTINA DIX (55* 568-68-5403)	
of POBOX 83476, FAIRBANKS, AK 99708	
and her or his successors or assigns (nereinafter ASSIGNEE)	
DESCRIBED IN PATENT DISCLOSURE DOCUMENT & 416664.	
nvented by ASSIGNOR; (B) the application for Untied States patent therefor signed by ASSIGNOR on, U.S. Patent and Trademark Office Serial Number;	
(C) any patent or reissues of any patent that may be granted thereon, and (D) any applications which are continuations, continuations-in-part, substitutes, or divisions of said application. ASSIGNOR authorizes ASSIGNEE To enter the date of signature and/or Serial Number and Filing Date in the spaces above. ASSIGNOR also authorizes and requests the Commissioner of Patents and Trademarks to issue any resulting patent(s) as follows:95 % to ASSIGNOR and5 % to ASSIGNEE. (The singular shall include the plural and vice-versa herein.)	
ASSIGNOR hereby further sells, assigns, transfers, and sets over unto ASSIGNEE, the above percentage of ASSIGNOR'S entire right, title and interest in and to said invention in each and every country foreign to the United States; and ASSIGNOR further conveys to ASSIGNEE the above percentage of all priority rights resulting from the above-identified application for United States patent. ASSIGNOR agrees to execute all papers, give any required testimony and perform other lawful acts, at ASSIGNEES expense, as ASSIGNEE may require to enable ASSIGNEE to perfect ASSIGNEE'S interest in any resulting patent of the United States and countries foreign thereto, and to acquire, hold, enforce, convey, and uphold the validity of said patent and reissues and extensions thereof, and ASSIGNEE'S interest therein.	
In testimony whereof ASSIGNOR has hereunto set its hand and seal on the date below.	
* SEE ADDENDUM * 1 ** SEE ADDENDUM * 2 Christma Dix Man 23, 1997	
State <u>Alaoka</u>	
County: N/A	
Subscribed and sworn to before me 10 ay 24th, 1997 (date)	
Notary Public SEAL State on Mindel of My Commission Express to	
WITNESS! Christopher I Can MAY 23, P.O. BOX 858 SLAWA, AK 99PATENT	,

REEL: 010002 FRAME: 0166

For value received,	Five Thousand U.S. Dollars (5.000,)
	Walter Schmied
ol	P.O. Box 3268, Valdez, Ak 99686
(hereinalter ASSIGN	OR), hereby sells, assigns, transfers, and sets over unto
	Christina Dix (SS nr: 568-68-5403)
of	P.O. Box 83476, Fairbanks, Ak 99708
and her or his succe right, title and interes	ssors or assigns (hereinafter ASSIGNEE) <u>5</u> % of the following: (A) ASSIGNOR'S in and to the invention entitled "Internal Combustion Cylinder
Engine", des	scribed in Patent Application Number 08/926,/88 '
	IOR: (B) the application for Untied States patent therefor, signed by ASSIGNOR on,U.S. Patent and Trademark Office Serial Number
said application. AS and Filing Date in the and Trademarks to it	(C) any patent or reissues of any patent that may be granted applications which are continuations, continuations-in-part, substitutes, or divisions of SIGNOR authorizes ASSIGNEE To enter the date of signature and/or Serial Number e spaces above. ASSIGNOR also authorizes and requests the Commissioner of Patents sue any resulting patent(s) as follows: 60 % to ASSIGNOR and 5 % singular shall include the plural and vice-versa herein.)
ASSIGNOR'S entire United States, and A resulting from the ab papers, give any-rec may require to enab States and countries	further sells, assigns, transfers, and sets over unto ASSIGNEE, the above percentage of right, title and interest in and to said invention in each and every country foreign to the ASSIGNOR further conveys to ASSIGNEE the above percentage of all priority rights bove-identified application for United States patent. ASSIGNOR agrees to execute all quired testimony and perform other lawful acts, at ASSIGNEES expense, as ASSIGNEE le ASSIGNEE to perfect ASSIGNEE'S interest in any resulting patent of the United to foreign thereto, and to acquire, hold, enforce, convey, and uphold the validity of said and extensions thereof, and ASSIGNEE'S interest therein.
In testimony whereo	I ASSIGNOR has hereunto set its hand and seal on the date below.
	Class Frie Logar 3/17/98
State Alask County: Mataus Subscribed and swo	orn to before me DEptember 17, 1998
OFFICIAL NANCY L. B NOTARY PUBLIC - STA	Notary Rublic ERTELS STATEMENT OF STATEMENT

ADDENDUM * 1

5% TO BE PAID AS FOLLOWS:

UNTIL \$5,000.00 PROFITS HAVE BEEN REALIZED TO ASSIGNEE,
THE FULL 5% OF INTEREST IN THESE INVENTIONS SHALL BE PAID
TO CHRISTINA DIX; THERE AFTER 4% SHALL BE PAID TO
CHRISTINA DIX, AND 1% SHALL BE PAID TO CHRISTOPHER LEE COOK.

ADDENDUM * 2

ASSIGNOR SHALL RETAIN A PATENT ATTORNEY AND ENSURE THAT IMPLEMENTATION ADVANCES EXPEDIENTLY AND APPLICATION BE COMPLETED IN A TIMELY MANNER, NOT TO EXCEED TWO YEARS FROM TIME OF PATENT OFFICE DISCLOSURE DOCUMENTATION, MARCH 31, 1997

ASSIGNOR OR HIS ATTORNEY SHALL DESCRIBE PROGRESS TO ASSIGNEE OR HER AGENT ON A BI-MONTHLY BASIS FOR THE FIRST TWO YEARS.

ASSIGNEE REQUESTS THAT ANY OF HER WRITTEN SUGGESTIONS REGARDING APPLICATION OF PATENT BE GIVEN CONSIDERATION AND RESPONSE.

Deborah F. Capps

ak NA
24

W. May 97 Deborah F. Capps

Notary Public

Deborah F. Cepps, Notory Public State of Alacka My Commission poolies 8/16/2000 Walter Schwid 23, 1997 Christina Dix May 23, 1997

WITNESS: Christoffer I Cook MAY 23, 1997

JOINT PATENT RIGHT AGREEMENT

WHEREAS, Walter Schmied ("Assignor") has assigned to $\frac{(h_F) + h_C}{(h_F) + h_C}$ ("Assignee") a $\frac{|0|}{0}$ percent undivided ownership interest in U.S. Patent Application Serial No. 08/926,088, entitled INTERNAL COMBUSTION CYLINDER ENGINE, in an assignment document executed $\frac{|4|}{|4|}$ $\frac{|4|}{|4|}$ $\frac{|4|}{|4|}$;

WHEREAS third parties may also have been assigned or may also be assigned ownership interests in said patent application by virtue of separate agreements; and

WHEREAS Assignor and Assignee are desirous of mutually agreeing on controls of the rights to make, use, sell and offer to sell the invention disclosed and claimed in said application and share in the proceeds resulting from said invention, said application, and all continuations of said application, and patents issuing therefrom on said invention;

NOW THEREFORE, in consideration of the obligations of the respective parties hereinafter set forth, Assignor and Assignee agree as follows:

I. **DEFINITIONS**

- 1. "Invention" shall mean the invention disclosed in said application, all continuations of said application and patents issuing therefrom.
- 2. "Net Proceeds" shall mean all consideration resulting from said Invention, including, but not limited to:
 - (i) all royalties generated from agreements or licenses to third parties to make, use, sell, or offer to sell said Invention, less the cost, including attorneys' fees, to draft, negotiate and finalize said agreements or licenses; and
 - (ii) net income received from the manufacture, use, sale or offer to sell said Invention as defined by generally accepted accounting principles.
- 3. "Majority of Ownership" shall mean an ownership interest in said Invention of a party or group of parties totaling fifty-one percent (51%) or greater.

-1-

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II. GRANT

1. Assignor hereby agrees to pay to Assignee a percentage of Net Proceeds, equal to

Assignee's percent ownership in said Invention and in accordance with the payment schedule of

Section III herein.

2. Subject to consent of the Majority of Ownership interest in said Invention, each

assignee may sell, assign, or transfer onto a third party an ownership interest in said Invention

equal to or less than Assignee's said percent ownership interest in said Invention, wherein

consent of Majority of Ownership will not be unreasonably withheld.

3. A Majority of Ownership interest in said Invention is required to:

(i) License said Invention to third parties the right to make, use, sell, or offer

to sell;

(ii) Exclude others from making, using, selling, or offering to sell said

Invention; or

(iii) To make, use, sell or offer to sell said Invention.

4. So long as Assignee owns or controls less than a Majority of Ownership interest

in said Invention, said Assignee is prohibited from:

(i) Licensing said Invention to third parties the right to make, use, sell, or

offer to sell;

(ii) Excluding others from making, using, selling, or offering to sell said

Invention and all applications and patents on said Invention; or,

(iii) Making, using, selling or offering to sell said Invention.

III. PAYMENTS

1. The party or group of parties having a Majority of Ownership interest shall,

within sixty (60) days after each calendar year, render a written report to each party, with

accompanying payment for Net Proceeds in accordance with Section II herein, indicating the

quantity, the price of said Invention sold and the expenses associated with said sale, during the

calendar year. If no royalty is due for the calendar year, the report shall so state.

-2-

2. The party or group of parties having a Majority of Ownership interest shall keep true books of account adequate to establish payments for Net Proceeds due hereunder and are to be kept according to generally accepted accounting principles, and the party or group of parties having a Majority of Ownership interest shall make the books available for inspection by representatives of Assignor and Assignee(s) to the extent necessary for determining the

completeness and accuracy of such payments for Net Proceeds and other information for period

of seven (7) years.

IV. TERM AND TERMINATION,

1. This agreement shall terminate upon expiration of the last expiring patent licensed

hereunder; however, in no event shall the party or group of parties having a Majority of

Ownership interest be obligated to pay any payment for Net Proceeds under this agreement after

each the expiration of any patent licensed herein, or the holding invalid by a court of competent

jurisdiction of any claim covering said Invention assigned hereunder, or the holding of

noninfringement by a court of competent jurisdiction of said Invention that is substantially the

same as said Invention assigned hereunder.

2. Either Assignor or Assignee may cancel this agreement at any time, after written

notice to the other, for breach or default (including failure to make any payment for Net Proceeds

when due) on the part of the other, unless the defaulting party has remedied such breach or

default within thirty (30) days after such notice.

V. MISCELLANEOUS

1. If any of the provisions or portions thereof of this agreement are invalid under any

applicable statute or rule of law, they are, to that extent, to be deemed omitted. Otherwise, the

remaining part or parts of this agreement shall be enforced and fully performed.

2. This agreement will be interpreted, construed and enforced in all respects in

accordance with the laws of the state of Washington. Any controversy or claim arising out of or

relating to this agreement, or the default or breach thereof, will be finally settled in a court of

-3-

competent jurisdiction located within the state of Washington. In the event of adjudication of any dispute, whether by arbitration or judicially, the prevailing party will be entitled to reasonable adjudication costs, attorneys' fees and collection costs, including any appeals, as may be set by the adjudicator in such proceeding.

3. This agreement and earlier executed Assignment constitutes the entire agreement between the parties and supersedes all prior and/or contemporaneous written or oral agreements. Any changes or modifications to this agreement must be in writing and executed by each party in order to be binding.

IN WITNESSES THEREOF, Assignor and Assignee have caused these presents to be signed by their respective corporate officers hereunto duly authorized.

Date: 3/5/1999

Cally Colling Walter Schmied

Walter Schmied

STATE OF Alaska

Markauska-) ss.

COLINTY OF Sustan

I certify that I know or have satisfactory evidence that Watte Schmed is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 3 5 99

(Seal or stamp)

OFFICIAL SEAL

NANCY L. BERTELS

NOTARY PUBLIC - STATE OF MASKA

My Comm. Expires & 30(2)

Signature

Printed Name: Ana Chertels

Notary Public

My appointment expires 636 02

ASSIGNEE

Date: Mar 12, 1999	Mame: CHRISTIAIA FOSTER DIX Title:
STATE OF ALASKA) 4th Judicial ss. COUNTY DE DISTRICT	
I certify that I know or have satisfactory evis the person who appeared before me, and said printstrument and acknowledged it to be his/her free mentioned in the instrument.	•
Dated: March 12, 1999	Exerce R. Belland
(Seal or stamp)	Signature Printed Name: Eugene R. Belland Notary Public My appointment expires 7-7-79

JDD:teb

For value received, DNE THOUSAND DOLLARS (1,000 00) U.S.
1 WALTER SCHMIEN
01_ P.O. BOX 3268, VALOREZ, AK 99686
(hereinafter ASSIGNOR), hereby sells, assigns, transfers, and sets over unto
_ ROBERT D. AND VICTORIA PRESTON
or_ P.O. Box 1147 VALDEZ At 99686
and her or his successors or assigns (hereinafter ASSIGNEE) % of the following: (A) ASSIGNOR'S right, title and interest in and to the invention entitled "/NTERNAL COMBUSTION CYLINDER ENGINE"
DESCRIBED IN PATENT DISCLORE DOCUMENT * 416664
invented by ASSIGNOR; (B) the application for Untied States patent therefor signed by ASSIGNOR on
Filed ;(C) any patent or reissues of any patent that may be granted
thereon; and (D) any applications which are continuations, continuations-in-part, substitutes, or divisions of said application. ASSIGNOR authorizes ASSIGNEE To enter the date of signature and/or Serial Number
and Filing Date in the spaces above. ASSIGNOR also authorized and requests the Commissioner of Patents and Trademarks to issue any resulting patent(s) as follows: 94 % to ASSIGNOR and / %
to ASS/GNEE. (The singular shall include the plural and vice-versa herein.)
ASSIGNOR hereby further sells, assigns, transfers, and sets over unto ASSIGNEE, the above percentage of ASSIGNOR DR'S entire right, title and interest in and to said invention in each and every country foreign to the United States; and ASSIGNOR further conveys to ASSIGNEE the above percentage of all priority rights resulting from the above-identified application for United States patent. ASSIGNOR agrees to execute all papers, give any required testimony and perform other lawful acts, at ASSIGNEES expense, as ASSIGNEE may require to enable ASSIGNEE to perfect ASSIGNEE'S interest in any resulting patent of the United States and countries foreign thereto, and to acquire, hold, enforce, convey, and uphold the validity of said patent and reissues and extensions thereof, and ASSIGNEE'S interest therein.
In testimony whereof ASSIGNOR has hereunto set its hand and seal on the date below.
State: ALASKA County: THIRD JUDICIAL DISTRICT } SS STATE: 17/22/97 STATE: 1907
Subscribed and sworn to before me (date)
Notary Public SEPT 30 - Joseph

SEAL

PATENT REEL: 010002 FRAME: 0174 *

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JOINT PATENT RIGHT AGREEMENT

Kobert D. and (WHEREAS, Walter Schmied ("Assignor") has assigned to <u>Victoria Preston</u>
("Assignee") a/ percent undivided ownership interest in U.S. Patent Application Serial
No. 08/926,088, entitled INTERNAL COMBUSTION CYLINDER ENGINE, in an assignment
document executed July 22, 1997;

WHEREAS third parties may also have been assigned or may also be assigned ownership interests in said patent application by virtue of separate agreements; and

WHEREAS Assignor and Assignee are desirous of mutually agreeing on controls of the rights to make, use, sell and offer to sell the invention disclosed and claimed in said application and share in the proceeds resulting from said invention, said application, and all continuations of said application, and patents issuing therefrom on said invention;

NOW THEREFORE, in consideration of the obligations of the respective parties hereinafter set forth, Assignor and Assignee agree as follows:

I. DEFINITIONS

- 1. "Invention" shall mean the invention disclosed in said application, all continuations of said application and patents issuing therefrom.
- 2. "Net Proceeds" shall mean all consideration resulting from said Invention, including, but not limited to:
 - (i) all royalties generated from agreements or licenses to third parties to make, use, sell, or offer to sell said Invention, less the cost, including attorneys' fees, to draft, negotiate and finalize said agreements or licenses; and
 - (ii) net income received from the manufacture, use, sale or offer to sell said Invention as defined by generally accepted accounting principles.
- 3. "Majority of Ownership" shall mean an ownership interest in said Invention of a party or group of parties totaling fifty-one percent (51%) or greater.

-1-

II. GRANT

1. Assignor hereby agrees to pay to Assignee a percentage of Net Proceeds, equal to

Assignee's percent ownership in said Invention and in accordance with the payment schedule of

Section III herein.

2. Subject to consent of the Majority of Ownership interest in said Invention, each

assignee may sell, assign, or transfer onto a third party an ownership interest in said Invention

equal to or less than Assignee's said percent ownership interest in said Invention, wherein

consent of Majority of Ownership will not be unreasonably withheld.

3. A Majority of Ownership interest in said Invention is required to:

(i) License said Invention to third parties the right to make, use, sell, or offer

to sell;

(ii) Exclude others from making, using, selling, or offering to sell said

Invention; or

(iii) To make, use, sell or offer to sell said Invention.

4. So long as Assignee owns or controls less than a Majority of Ownership interest

in said Invention, said Assignee is prohibited from:

(i) Licensing said Invention to third parties the right to make, use, sell, or

offer to sell:

(ii) Excluding others from making, using, selling, or offering to sell said

Invention and all applications and patents on said Invention; or,

(iii) Making, using, selling or offering to sell said Invention.

III. PAYMENTS

1. The party or group of parties having a Majority of Ownership interest shall,

within sixty (60) days after each calendar year, render a written report to each party, with

accompanying payment for Net Proceeds in accordance with Section II herein, indicating the

quantity, the price of said Invention sold and the expenses associated with said sale, during the

calendar year. If no royalty is due for the calendar year, the report shall so state.

-2-

2. The party or group of parties having a Majority of Ownership interest shall keep true books of account adequate to establish payments for Net Proceeds due hereunder and are to be kept according to generally accepted accounting principles, and the party or group of parties having a Majority of Ownership interest shall make the books available for inspection by representatives of Assignor and Assignee(s) to the extent necessary for determining the

completeness and accuracy of such payments for Net Proceeds and other information for period

of seven (7) years.

IV. TERM AND TERMINATION,

1. This agreement shall terminate upon expiration of the last expiring patent licensed

hereunder; however, in no event shall the party or group of parties having a Majority of

Ownership interest be obligated to pay any payment for Net Proceeds under this agreement after

each the expiration of any patent licensed herein, or the holding invalid by a court of competent

jurisdiction of any claim covering said Invention assigned hereunder, or the holding of

noninfringement by a court of competent jurisdiction of said Invention that is substantially the

same as said Invention assigned hereunder.

2. Either Assignor or Assignee may cancel this agreement at any time, after written

notice to the other, for breach or default (including failure to make any payment for Net Proceeds

when due) on the part of the other, unless the defaulting party has remedied such breach or

default within thirty (30) days after such notice.

V. MISCELLANEOUS

1. If any of the provisions or portions thereof of this agreement are invalid under any

applicable statute or rule of law, they are, to that extent, to be deemed omitted. Otherwise, the

remaining part or parts of this agreement shall be enforced and fully performed.

2. This agreement will be interpreted, construed and enforced in all respects in

accordance with the laws of the state of Washington. Any controversy or claim arising out of or

relating to this agreement, or the default or breach thereof, will be finally settled in a court of

-3-

competent jurisdiction located within the state of Washington. In the event of adjudication of any dispute, whether by arbitration or judicially, the prevailing party will be entitled to reasonable adjudication costs, attorneys' fees and collection costs, including any appeals, as may be set by the adjudicator in such proceeding.

3. This agreement and earlier executed Assignment constitutes the entire agreement between the parties and supersedes all prior and/or contemporaneous written or oral agreements. Any changes or modifications to this agreement must be in writing and executed by each party in order to be binding.

IN WITNESSES THEREOF, Assignor and Assignee have caused these presents to be signed by their respective corporate officers hereunto duly authorized.

	ASSIGNOR
Date: $3/5/1999$	Walter Schmied
STATE OF Alacka) ss. COUNTY OF Sustan Beray	
COUNTY OF Justine Berang	
I certify that I know or have satisfactory evisits the person who appeared before me, and said prinstrument and acknowledged it to be his/her free mentioned in the instrument.	erson acknowledged that he/she signed this
Dated: 3/5/99	1 - 8 · R + H
(Seal or stamp) OFFICIAL SEAL NANCY L. BERTELS NOTARY PUBLIC - STATE OF ALASKA My Comm. Expires 6/30/69-8	Signature Printed Name: Ana C Beets le Notary Public My appointment expires 6/30/03

-4-

ASSIGNEE

Date: 3/9/99	Name: AND Title:
STATE OF)	
) ss. COUNTY OF	`
is the person who appeared before me,	sfactory evidence that how the story and said person acknowledged that he/she signed this is/her free and voluntary act for the uses and purposes
Dated: 3-9-99	Jusa Marshaul
(Seal or stamp)	Signature 1- M. P. 41
NOTARY PUBLIC LISA M. BERTHOUD STATE OF ALASKA MY COMMISSION EXPIRES APRIL 4, 2001	Printed Name: Lea W Derthous Notary Public My appointment expires 4-4-01

JDD:teb

For value received,	Two Thousand U.S. Dollars (\$2,000.00)
	Walter Schmied
o'	P O Box 3268, Valdez, AK 99686
(nereinafter ASSIGN	OR), hereby sells, assigns, transfers, and sets over unto
•	Christopher Lee Cook
of	P O Box 858, Slana, AK 99586
right, title and interes	ssors or assigns (nereinafter ASSIGNEE) _ 2 _ % of the following: (A) ASSIGNOR'S it in and to the invention entitled "_"Internal_Combustion_Cylinder
Engine",	Described in Patent Disclosure Document #416664 .
invented by ASSIGN	CR: (B) the application for Untied States patent therefor, signed by ASSIGNOR on
said application. ASS and Filing Date in thi and Trademarks to is	(C) any patent or reissues of any patent that may be granted applications which are continuations, continuations-in-part, substitutes, or divisions of SIGNOR authorizes ASSIGNEE To enter the date of signature and/or Syrial Number e spaces above. ASSIGNOR also authorizes and requests the Commissioner of Patents assue any resulting patent(s) as follows:
ASSIGNOR'S entire United States; and A resulting from the ab papers, give any red may require to enab States and countries patent and reissues	uither sells, assigns, transfers, and sets over unto ASSIGNEE, the above percanage of right, title and interest in and to said invention in each and every country foreign to the ASSIGNOR further conveys to ASSIGNEE the above percentage of all priority rights coveridentified application for United States patent. ASSIGNOR agrees to execute all quired testimony and perform other lawful acts, at ASSIGNEES expense, as ASSIGNEE to perfect ASSIGNEE'S interest in any resulting patent of the United a foreign thereto, and to acquire, hold, enforce, convey, and uphold the validity of said and extensions thereof, and ASSIGNEE'S interest therein.
★ In testimony whereo	ASSIGNOR has hereunto set its hand and seal on the date below.
* See Adden	dum #1 <u>Golder Schuit Oct.</u> 9.1997
State Alack	A
County: THIRD	JUDICIAL DISTRICT) SS
Subscribed and swo	orn to before me
	Notary Public M
	SEAL.

PATENT REEL: 010002 FRAME: 0180 3

11.

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ADDENDUM #1

ASSIGNOR shall obtain Patent advice and ensure that implementation advances expediently and application be completed in a timely manner, not to exceed two years from time of Patent Office Disclosure Documentation, March 31, 1997.

ASSIGNOR or his attorney shall describe progress to ASSIGNEE or his agent on a bi-monthly basis for the first two years.

ASSIGNEE requests that any of his written suggestions regarding application of Patent be given consideration and response.

Walter Schmied

Caristopher Lee Cook

JOINT PATENT RIGHT AGREEMENT

WHEREAS, Walter Schmied ("Assignor") has assigned to hristopher lee (ook ("Assignee") a 2 percent undivided ownership interest in U.S. Patent Application Serial No. 08/926,088, entitled INTERNAL COMBUSTION CYLINDER ENGINE, in an assignment document executed 0, 1997;

WHEREAS third parties may also have been assigned or may also be assigned ownership interests in said patent application by virtue of separate agreements; and

WHEREAS Assignor and Assignee are desirous of mutually agreeing on controls of the rights to make, use, sell and offer to sell the invention disclosed and claimed in said application and share in the proceeds resulting from said invention, said application, and all continuations of said application, and patents issuing therefrom on said invention;

NOW THEREFORE, in consideration of the obligations of the respective parties hereinafter set forth, Assignor and Assignee agree as follows:

I. **DEFINITIONS**

- 1. "Invention" shall mean the invention disclosed in said application, all continuations of said application and patents issuing therefrom.
- 2. "Net Proceeds" shall mean all consideration resulting from said Invention, including, but not limited to:
 - (i) all royalties generated from agreements or licenses to third parties to make, use, sell, or offer to sell said Invention, less the cost, including attorneys' fees, to draft, negotiate and finalize said agreements or licenses; and
 - (ii) net income received from the manufacture, use, sale or offer to sell said Invention as defined by generally accepted accounting principles.
- 3. "Majority of Ownership" shall mean an ownership interest in said Invention of a party or group of parties totaling fifty-one percent (51%) or greater.

-1-

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II. GRANT

1. Assignor hereby agrees to pay to Assignee a percentage of Net Proceeds, equal to Assignee's percent ownership in said Invention and in accordance with the payment schedule of

Section III herein.

2. Subject to consent of the Majority of Ownership interest in said Invention, each assignee may sell, assign, or transfer onto a third party an ownership interest in said Invention equal to or less than Assignee's said percent ownership interest in said Invention, wherein

consent of Majority of Ownership will not be unreasonably withheld.

A Majority of Ownership interest in said Invention is required to: 3.

(i) License said Invention to third parties the right to make, use, sell, or offer

to sell;

Exclude others from making, using, selling, or offering to sell said (ii)

Invention; or

(iii) To make, use, sell or offer to sell said Invention.

4. So long as Assignee owns or controls less than a Majority of Ownership interest

in said Invention, said Assignee is prohibited from:

Licensing said Invention to third parties the right to make, use, sell, or (i)

offer to sell;

(ii) Excluding others from making, using, selling, or offering to sell said

Invention and all applications and patents on said Invention; or,

Making, using, selling or offering to sell said Invention. (iii)

III. **PAYMENTS**

1. The party or group of parties having a Majority of Ownership interest shall,

within sixty (60) days after each calendar year, render a written report to each party, with

accompanying payment for Net Proceeds in accordance with Section II herein, indicating the

quantity, the price of said Invention sold and the expenses associated with said sale, during the

calendar year. If no royalty is due for the calendar year, the report shall so state.

-2-

2. The party or group of parties having a Majority of Ownership interest shall keep true books of account adequate to establish payments for Net Proceeds due hereunder and are to be kept according to generally accepted accounting principles, and the party or group of parties having a Majority of Ownership interest shall make the books available for inspection by

representatives of Assignor and Assignee(s) to the extent necessary for determining the

completeness and accuracy of such payments for Net Proceeds and other information for period

of seven (7) years.

IV. TERM AND TERMINATION.

1. This agreement shall terminate upon expiration of the last expiring patent licensed

hereunder; however, in no event shall the party or group of parties having a Majority of

Ownership interest be obligated to pay any payment for Net Proceeds under this agreement after

each the expiration of any patent licensed herein, or the holding invalid by a court of competent

jurisdiction of any claim covering said Invention assigned hereunder, or the holding of

noninfringement by a court of competent jurisdiction of said Invention that is substantially the

same as said Invention assigned hereunder.

2. Either Assignor or Assignee may cancel this agreement at any time, after written

notice to the other, for breach or default (including failure to make any payment for Net Proceeds

when due) on the part of the other, unless the defaulting party has remedied such breach or

default within thirty (30) days after such notice.

V. MISCELLANEOUS

1. If any of the provisions or portions thereof of this agreement are invalid under any

applicable statute or rule of law, they are, to that extent, to be deemed omitted. Otherwise, the

remaining part or parts of this agreement shall be enforced and fully performed.

2. This agreement will be interpreted, construed and enforced in all respects in

accordance with the laws of the state of Washington. Any controversy or claim arising out of or

relating to this agreement, or the default or breach thereof, will be finally settled in a court of

-3-

competent jurisdiction located within the state of Washington. In the event of adjudication of any dispute, whether by arbitration or judicially, the prevailing party will be entitled to reasonable adjudication costs, attorneys' fees and collection costs, including any appeals, as may be set by the adjudicator in such proceeding.

This agreement and earlier executed Assignment constitutes the entire agreement between the parties and supersedes all prior and/or contemporaneous written or oral agreements. Any changes or modifications to this agreement must be in writing and executed by each party in order to be binding.

IN WITNESSES THEREOF, Assignor and Assignee have caused these presents to be signed by their respective corporate officers hereunto duly authorized.

ASSIGNOR

Walter Schmied

STATE OF Alaska) ss.

COUNTY OF Sustain) ss.

I certify that I know or have satisfactory evidence that WAHER Schmied is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 3/5/99

(Seal or stand)

Notary Public

My appointment expires ____ (p | 36 | 02-

Signature
Printed Name: Name (Beet als

ASSIGNEE

Date: MARCH 12, 1999	Name: CHRISTOPHEN L COOK
	Title:
STATE OF <u>ALASKA</u>) 4th Judicial) ss. District	
I certify that I know or have satisfactory of is the person who appeared before me, and said instrument and acknowledged it to be his/her freementioned in the instrument.	· ·
Dated: <u>March</u> 12, 1999	Eugene R. Belland
(Seal or stamp)	Signature Printed Name: <u>Eugene R. Belland</u> Notary Public My appointment expires 7-7-99

JDD:teb

For value received,	Two Thousand U.S. Dollars (2.000,)
	Walter Schmied
01	P.D. Box 3268, Valdez, AK 99686
(hereinalter ASSIGNO	DR), hereby sells, assigns, transfers, and sets over unto
•	Gregory and Gwendolyn Black (SS 277-42-4106)
of	P.O. Box 301, Sutton, AK 99674
and her or his succes	ssors or assigns (hereinafter ASSIGNEE) 2 % of the following: (A) ASSIGNOR'S tin and to the invention entitled ""Internal Combustion Cylinder
Engine", des	scribed in Patent Application Number DB/926,DBB.
invented by ASSIGN	OR: (B) the application for Untied States patent therefor, signed by ASSIGNOR on U.S. Patent and Trademark Office Serial Number 08/926,088
said application. ASS and Filing Date in the and Trademarks to is	(C) any patent or reissues of any patent that may be granted applications which are continuations, continuations-in-part, substitutes, or divisions of SIGNOR authorizes ASSIGNEE To enter the date of signature and/or Serial Number spaces above. ASSIGNOR also authorizes and requests the Commissioner of Patents sue any resulting patent(s) as follows: 188 % to ASSIGNOR and 2 % ingular shall include the plural and vice-versa herein.)
ASSIGNOR'S entire r United States, and Al resulting from the ab- papers, give any-req may require to enable States and countries	urther sells, assigns, transfers, and sets over unto ASSIGNEE, the above percentage of light, title and interest in and to said invention in each and every country foreign to the SSIGNOR further conveys to ASSIGNEE the above percentage of all priority rights over-identified application for United States patent, ASSIGNOR agrees to execute all uired testimony and perform other lawful acts, at ASSIGNEES expense, as ASSIGNEE at ASSIGNEE to perfect ASSIGNEE'S interest in any resulting patent of the United foreign thereto, and to acquire, hold, enforce, convey, and uphold the validity of said and extensions thereof, and ASSIGNEE'S interest therein.
<i>A</i> 1	ASSIGNOR has hereunto set its hand and seal on the date below. School Standard 22, 98 Leapty H. Bland 22, 98
State Alaska County: Mataux	Security Sec
Subscribed and swor	in to before me May 22, 1998
NO	OFFICIAL SEAL Notary Public Notary Notary Notary Public Notary No

JOINT PATENT RIGHT AGREEMENT

WHEREAS, Walter Schmied ("Assignor") has assigned to Gwendolyn Black

("Assignee") a ______ percent undivided ownership interest in U.S. Patent Application Serial

No. 08/926,088, entitled INTERNAL COMBUSTION CYLINDER ENGINE, in an assignment document executed May 22, 1998 _____;

WHEREAS third parties may also have been assigned or may also be assigned ownership interests in said patent application by virtue of separate agreements; and

WHEREAS Assignor and Assignee are desirous of mutually agreeing on controls of the rights to make, use, sell and offer to sell the invention disclosed and claimed in said application and share in the proceeds resulting from said invention, said application, and all continuations of said application, and patents issuing therefrom on said invention;

NOW THEREFORE, in consideration of the obligations of the respective parties hereinafter set forth, Assignor and Assignee agree as follows:

I. **DEFINITIONS**

- 1. "Invention" shall mean the invention disclosed in said application, all continuations of said application and patents issuing therefrom.
- 2. "Net Proceeds" shall mean all consideration resulting from said Invention, including, but not limited to:
 - (i) all royalties generated from agreements or licenses to third parties to make, use, sell, or offer to sell said Invention, less the cost, including attorneys' fees, to draft, negotiate and finalize said agreements or licenses; and
 - (ii) net income received from the manufacture, use, sale or offer to sell said Invention as defined by generally accepted accounting principles.
- 3. "Majority of Ownership" shall mean an ownership interest in said Invention of a party or group of parties totaling fifty-one percent (51%) or greater.

-1-

II. GRANT

- 1. Assignor hereby agrees to pay to Assignee a percentage of Net Proceeds, equal to Assignee's percent ownership in said Invention and in accordance with the payment schedule of Section III herein.
- 2. Subject to consent of the Majority of Ownership interest in said Invention, each assignee may sell, assign, or transfer onto a third party an ownership interest in said Invention equal to or less than Assignee's said percent ownership interest in said Invention, wherein consent of Majority of Ownership will not be unreasonably withheld.
 - 3. A Majority of Ownership interest in said Invention is required to:
 - (i) License said Invention to third parties the right to make, use, sell, or offer to sell;
 - (ii) Exclude others from making, using, selling, or offering to sell said Invention; or
 - (iii) To make, use, sell or offer to sell said Invention.
- 4. So long as Assignee owns or controls less than a Majority of Ownership interest in said Invention, said Assignee is prohibited from:
 - (i) Licensing said Invention to third parties the right to make, use, sell, or offer to sell;
 - (ii) Excluding others from making, using, selling, or offering to sell said Invention and all applications and patents on said Invention; or,
 - (iii) Making, using, selling or offering to sell said Invention.

III. PAYMENTS

1. The party or group of parties having a Majority of Ownership interest shall, within sixty (60) days after each calendar year, render a written report to each party, with accompanying payment for Net Proceeds in accordance with Section II herein, indicating the quantity, the price of said Invention sold and the expenses associated with said sale, during the calendar year. If no royalty is due for the calendar year, the report shall so state.

-2-

2. The party or group of parties having a Majority of Ownership interest shall keep true books of account adequate to establish payments for Net Proceeds due hereunder and are to be kept according to generally accepted accounting principles, and the party or group of parties having a Majority of Ownership interest shall make the books available for inspection by

representatives of Assignor and Assignee(s) to the extent necessary for determining the

completeness and accuracy of such payments for Net Proceeds and other information for period

of seven (7) years.

IV. TERM AND TERMINATION.

1. This agreement shall terminate upon expiration of the last expiring patent licensed

hereunder; however, in no event shall the party or group of parties having a Majority of

Ownership interest be obligated to pay any payment for Net Proceeds under this agreement after

each the expiration of any patent licensed herein, or the holding invalid by a court of competent

jurisdiction of any claim covering said Invention assigned hereunder, or the holding of

noninfringement by a court of competent jurisdiction of said Invention that is substantially the

same as said Invention assigned hereunder.

2. Either Assignor or Assignee may cancel this agreement at any time, after written

notice to the other, for breach or default (including failure to make any payment for Net Proceeds

when due) on the part of the other, unless the defaulting party has remedied such breach or

default within thirty (30) days after such notice.

V. MISCELLANEOUS

1. If any of the provisions or portions thereof of this agreement are invalid under any

applicable statute or rule of law, they are, to that extent, to be deemed omitted. Otherwise, the

remaining part or parts of this agreement shall be enforced and fully performed.

2. This agreement will be interpreted, construed and enforced in all respects in

accordance with the laws of the state of Washington. Any controversy or claim arising out of or

relating to this agreement, or the default or breach thereof, will be finally settled in a court of

-3-

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competent jurisdiction located within the state of Washington. In the event of adjudication of any dispute, whether by arbitration or judicially, the prevailing party will be entitled to reasonable adjudication costs, attorneys' fees and collection costs, including any appeals, as may be set by the adjudicator in such proceeding.

This agreement and earlier executed Assignment constitutes the entire agreement between the parties and supersedes all prior and/or contemporaneous written or oral agreements. Any changes or modifications to this agreement must be in writing and executed by each party in order to be binding.

IN WITNESSES THEREOF, Assignor and Assignee have caused these presents to be signed by their respective corporate officers hereunto duly authorized.

,	ASSIGNOR	
Date: $\frac{3/5/1999}{}$	Walber -	Shil
, ,	Walter Schmied	
STATE OF Alaska		
COUNTY OF Borough) ss.		
I certify that I know or have satisfactor	ry evidence that	latter Schmied
is the person who appeared before me, and s	aid person acknowled	ged that he/she signed this

instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

(Seal or &

Printed Name: _ Notary Public

My appointment expires _

ASSIGNEE

Date: $\frac{3/15/99}{}$	Name: H-Rlack Name: H-Rlack Title:
STATE OF A LASIA) ss. COUNTY OF Sustan I certify that I know or have satisfactory exist the person who appeared before me, and said instrument and acknowledged it to be his/her free mentioned in the instrument.	
(Seal or stamp) OFFICIAL SEAL NANCY L. BERTELS NOTARY PUBLIC STATE OF ALSKA My Comm. Express (12)	Signature Printed Name: Mascy L Beetels Notary Public My appointment expires 6/30/62

JDD:teb

For value received. Three Thousand U.S. Dollars (3.000,)
Walter Schmied
of P.O. Box 3268, Valdez, AK 99686
(hereinalter ASSIGNOR), hereby sells, assigns, transfers, and sets over unto
Roger and Georgia Collin
of1361 Cameron Rd., Elk Cal. 95432
and her or his successors or assigns (hereinafter ASSIGNEE)
right, little and interest in and to the invention entitled ""Internal Combustion Cylinder
Engine", described in Patent Application Number 08/926,088
invented by ASSIGNOR. (B) the application for United States patent therefor, signed by ASSIGNOR on 8/22/97 U.S. Patent and Trademark Office Serial Number 08/926,088
Filed 09/02/97 (C) any patent or reissues of any patent that may be granted
thereon: and (D) any applications which are continuations, continuations-in-part, substitutes, or divisions of
said application. ASSIGNOR authorizes ASSIGNEE To enter the date of signature and/or Serial Number and Filing Date in the spaces above. ASSIGNOR also authorizes and requests the Commissioner of Patents
and Trademarks to issue any resulting patent(s) as follows:% to ASSIGNOR and%
to ASSIGNEE. (The singular shall include the plural and vice-versa herein.)
ASSIGNOR hereby further sells, assigns, transfers, and sets over unto ASSIGNEE, the above percentage of ASSIGNOR'S entire right, title and interest in and to said invention in each and every country foreign to the
United States, and ASSIGNOR further conveys to ASSIGNEE the above percentage of all priority rights
resulting from the above-identified application for United States patent, ASSIGNOR agrees to execute all papers, give any-required testimony and perform other lawful acts, at ASSIGNEES expense, as ASSIGNEE
may require to enable ASSIGNEE to perfect ASSIGNEE'S interest in any resulting patent of the United
States and countries foreign thereto, and to acquire, hold, entorce, convey, and uphold the validity of said patent and ressues and extensions thereof, and ASSIGNEE'S interest therein.
In testimony whereof ASSIGNOR has hereunto set its hand and seal on the date below.
Weller Somied, ellay 22, 98
Alaska
County: Mathouska-Justina Borgug) ss
Subscribed and sworn to before me May 22, 1998
1 km. J. Butt
OFFICIAL SEAL Notary Public
INTERNAL COME OF ALAMA S
12 Comm Englas 0/50/100 Precieved JUNE 10, 1990
Roga Collin
CHU ADMINI (ALL)
PATENT

REEL: 010002 FRAME: 0193

	
	ter Schmied
olP.O.	Box 3268, Valdez, AK 99686
hereinalter ASS	SIGNOR), hereby sells, assigns, transfers, and sets over unto
Roge	er and Georgia Collin
1361	Cameron Rd., Elk Cal. 95432
	uccessors or assigns (hereinalter ASSIGNEE)1% of the following: (A) ASSIGNOR'S terest in and to the invention entitled "Internal Combustion Cylinder
ngine", d	described in Patent Application Number 08/926,088 .
nvented by ASS	GIGNOR: (B) the application for Untied States patent therefor, signed by ASSIGNOR on U.S. Patent and Trademark Office Serial Number 08/926,088
and Filing Date and Trademarks to ASSIGNEE. (I ASSIGNOR here ASSIGNOR'S en United States; a resulting from the papers, give and may require to a States and cour	ASSIGNOR authorizes ASSIGNEE To enter the date of signature and/or Serial Number in the spaces above. ASSIGNOR also authorizes and requests the Commissioner of Patents to issue any resulting patent(s) as follows: 56 % to ASSIGNOR and 1 % The singular shall include the plural and vice-versa herein.) The singular shall include the plural and vice-versa herein.)
n testimony who	ereof ASSIGNOR has hereunto set its hand and seal on the date below. Calls
State Alas County: Math	sworn to before me OFFICIAL SEAL NANCY L. BERTELS NOTARRAPSIOD STATE OF ALASKA My Comm. Expires 6/50/93

REEL: 010002 FRAME: 0194

	Walter Schmied	
	P. O. Box 3268, Valo	dez, AK 99686
ereinalter ASSIG	NOR), hereby sells, assigns, transfel	rs, and sets over unto
Roge:	r and Georgia Collin	
1361	Cameron Rd., Elk cal	95432
nd her or his succ ght, title and inter	cessors or assigns (hereinafter ASSIC est in and to the invention entitled ${}^{ ext{-}}\! ext{I}$	GNEE) 1 % of the following: (A) ASSIGNOR'S internal Combustion Cylinder
Engine", de	escribed in Patent Ap	oplication Number 08/926,088 .
		States patent therefor, signed by ASSIGNOR on Office Serial Number <u>08/926,088</u>
aid application. A and Filing Date in I and Trademarks to	SSIGNOR authorizes ASSIGNEE To the spaces above, ASSIGNOR also to the spaces above.	ons, continuations-in-part, substitutes, or divisions of enter the date of signature and/or Serial Number authorizes and requests the Commissioner of Patents ows:
		d sets over unto ASSIGNEE, the above percentage of
United States, and esulting from the a papers, give anyre to enaction the states and countries.	ASSIGNOR further conveys to ASSI above-identified application for Unite equired testimony and perform other able ASSIGNEE to perfect ASSIGNEE	id invention in each and every country foreign to the IGNEE the above percentage of all priority rights ed States patent. ASSIGNOR agrees to execute all r lawful acts, at ASSIGNEES expense, as ASSIGNEE E'S interest in any resulting patent of the United old, enforce, convey, and uphold the validity of said GNEE'S interest therein.
United States, and resulting from the a papers, give ampropers and countries and reissue patent and reissue	ASSIGNOR further conveys to ASSI above-identified application for Unite equired testimony and perform other able ASSIGNEE to perfect ASSIGNEE es foreign thereto, and to acquire, he	IGNEE the above percentage of all priority rights ed States patent. ASSIGNOR agrees to execute all r lawful acts, at ASSIGNEES expense, as ASSIGNEE E'S interest in any resulting patent of the United old, enforce, convey, and uphold the validity of said GNEE'S interest therein.
United States, and esulting from the a papers, give anyrequire to one States and countricatent and reissue	ASSIGNOR further conveys to ASSI above-identified application for Unite equired testimony and perform other able ASSIGNEE to perfect ASSIGNEE as foreign thereto, and to acquire, he and extensions thereof, and ASSIGNEE and extensions thereof.	IGNEE the above percentage of all priority rights and States patent. ASSIGNOR agrees to execute all relawful acts, at ASSIGNEES expense, as ASSIGNEE E'S interest in any resulting patent of the United old, enforce, convey, and uphold the validity of said GNEE'S interest therein.
United States, and resulting from the a papers, give any require to ena States and countries batent and reissue in testimony where	ASSIGNOR further conveys to ASSI above-identified application for Unite equired testimony and perform other tible ASSIGNEE to perfect ASSIGNEE is foreign thereto, and to acquire, he is and extensions thereof, and ASSIGNED as ASSIGNOR has hereunto set its here.	IGNEE the above percentage of all priority rights and States patent. ASSIGNOR agrees to execute all relawful acts, at ASSIGNEES expense, as ASSIGNEE E'S interest in any resulting patent of the United old, enforce, convey, and uphold the validity of said GNEE'S interest therein. The property of the date below.
United States, and resulting from the appers, give any require to enablates and countries attent and reissue in testimony where	ASSIGNOR further conveys to ASSI above-identified application for Unite equired testimony and perform other tible ASSIGNEE to perfect ASSIGNEE as foreign thereto, and to acquire, he as and extensions thereof, and ASSIGNOR has hereunto set its hear the acquire and ASSIGNOR has hereunto set its hear the acquire and ASSIGNOR has hereunto set its hear the acquire and ASSIGNOR has hereunto set its hear the acquire and ASSIGNOR has hereunto set its hear the acquire acquire and ASSIGNOR has hereunto set its hear the acquire acq	IGNEE the above percentage of all priority rights and States patent. ASSIGNOR agrees to execute all relawful acts, at ASSIGNEES expense, as ASSIGNEE E'S interest in any resulting patent of the United old, enforce, convey, and uphold the validity of said GNEE'S interest therein.
United States, and resulting from the a papers, give ampropers and countries and reissue patent and reissue	ASSIGNOR further conveys to ASSI above-identified application for Unite equired testimony and perform other tible ASSIGNEE to perfect ASSIGNEI es foreign thereto, and to acquire, he is and extensions thereof, and ASSIGNOR has hereunto set its hereofaction.	IGNEE the above percentage of all priority rights and States patent. ASSIGNOR agrees to execute all relawful acts, at ASSIGNEES expense, as ASSIGNEE E'S interest in any resulting patent of the United old, enforce, convey, and uphold the validity of said GNEE'S interest therein. Thank and seal on the date below. A Callia And Seal on the date below.
United States, and resulting from the appers, give any require to ena States and countrie patent and reissue in testimony where State Of Call County: Of Me	ASSIGNOR further conveys to ASSI above-identified application for Unite equired testimony and perform other tible ASSIGNEE to perfect ASSIGNEI es foreign thereto, and to acquire, he is and extensions thereof, and ASSIGNOR has hereunto set its hereofaction.	IGNEE the above percentage of all priority rights and States patent. ASSIGNOR agrees to execute all relawful acts, at ASSIGNEES expense, as ASSIGNEE E'S interest in any resulting patent of the United old, enforce, convey, and uphold the validity of said GNEE'S interest therein. Thank and seal on the date below. A Column 1/2

JOINT PATENT RIGHT AGREEMENT

WHEREAS, Walter Schmied ("Assignor") has assigned to Rober AND GEORGIA Callin

("Assignee") a _____5 __ percent undivided ownership interest in U.S. Patent Application Serial

No. 08/926,088, entitled INTERNAL COMBUSTION CYLINDER ENGINE, in an assignment

document executed MAY 22' 48 + SEPT. 25'98 / JANJJ,94

WHEREAS third parties may also have been assigned or may also be assigned ownership

interests in said patent application by virtue of separate agreements; and

WHEREAS Assignor and Assignee are desirous of mutually agreeing on controls of the

rights to make, use, sell and offer to sell the invention disclosed and claimed in said application

and share in the proceeds resulting from said invention, said application, and all continuations of

said application, and patents issuing therefrom on said invention;

NOW THEREFORE, in consideration of the obligations of the respective parties

hereinafter set forth, Assignor and Assignee agree as follows:

I. DEFINITIONS

1. "Invention" shall mean the invention disclosed in said application, all

continuations of said application and patents issuing therefrom.

2. "Net Proceeds" shall mean all consideration resulting from said Invention.

including, but not limited to:

(i) all royalties generated from agreements or licenses to third parties to make,

use, sell, or offer to sell said Invention, less the cost, including attorneys' fees, to draft.

negotiate and finalize said agreements or licenses; and

(ii) net income received from the manufacture, use, sale or offer to sell said

Invention as defined by generally accepted accounting principles.

3. "Majority of Ownership" shall mean an ownership interest in said Invention of a

party or group of parties totaling fifty-one percent (51%) or greater.

-1-

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II. GRANT

- 1. Assignor hereby agrees to pay to Assignee a percentage of Net Proceeds, equal to Assignee's percent ownership in said Invention and in accordance with the payment schedule of Section III herein.
- 2. Subject to consent of the Majority of Ownership interest in said Invention, each assignee may sell, assign, or transfer onto a third party an ownership interest in said Invention equal to or less than Assignee's said percent ownership interest in said Invention, wherein consent of Majority of Ownership will not be unreasonably withheld.
 - 3. A Majority of Ownership interest in said Invention is required to:
 - (i) License said Invention to third parties the right to make, use, sell, or offer to sell:
 - (ii) Exclude others from making, using, selling, or offering to sell said Invention; or
 - (iii) To make, use, sell or offer to sell said Invention.
- 4. So long as Assignee owns or controls less than a Majority of Ownership interest in said Invention, said Assignee is prohibited from:
 - (i) Licensing said Invention to third parties the right to make, use, sell, or offer to sell;
 - (ii) Excluding others from making, using, selling, or offering to sell said Invention and all applications and patents on said Invention; or,
 - (iii) Making, using, selling or offering to sell said Invention.

III. PAYMENTS

1. The party or group of parties having a Majority of Ownership interest shall, within sixty (60) days after each calendar year, render a written report to each party, with accompanying payment for Net Proceeds in accordance with Section II herein, indicating the quantity, the price of said Invention sold and the expenses associated with said sale, during the calendar year. If no royalty is due for the calendar year, the report shall so state.

-2-

2. The party or group of parties having a Majority of Ownership interest shall keep true books of account adequate to establish payments for Net Proceeds due hereunder and are to be kept according to generally accepted accounting principles, and the party or group of parties having a Majority of Ownership interest shall make the books available for inspection by representatives of Assignor and Assignee(s) to the extent necessary for determining the completeness and accuracy of such payments for Net Proceeds and other information for period of seven (7) years.

IV. TERM AND TERMINATION

1. This agreement shall terminate upon expiration of the last expiring patent licensed hereunder; however, in no event shall the party or group of parties having a Majority of Ownership interest be obligated to pay any payment for Net Proceeds under this agreement after each the expiration of any patent licensed herein, or the holding invalid by a court of competent jurisdiction of any claim covering said Invention assigned hereunder, or the holding of noninfringement by a court of competent jurisdiction of said Invention that is substantially the same as said Invention assigned hereunder.

2. Either Assignor or Assignee may cancel this agreement at any time, after written notice to the other, for breach or default (including failure to make any payment for Net Proceeds when due) on the part of the other, unless the defaulting party has remedied such breach or default within thirty (30) days after such notice.

V. MISCELLANEOUS

1. If any of the provisions or portions thereof of this agreement are invalid under any applicable statute or rule of law, they are, to that extent, to be deemed omitted. Otherwise, the remaining part or parts of this agreement shall be enforced and fully performed.

2. This agreement will be interpreted, construed and enforced in all respects in accordance with the laws of the state of Washington. Any controversy or claim arising out of or relating to this agreement, or the default or breach thereof, will be finally settled in a court of

-3-

competent jurisdiction located within the state of Washington. In the event of adjudication of any dispute, whether by arbitration or judicially, the prevailing party will be entitled to reasonable adjudication costs, attorneys' fees and collection costs, including any appeals, as may be set by the adjudicator in such proceeding.

3. This agreement and earlier executed Assignment constitutes the entire agreement between the parties and supersedes all prior and/or contemporaneous written or oral agreements. Any changes or modifications to this agreement must be in writing and executed by each party in order to be binding.

IN WITNESSES THEREOF, Assignor and Assignee have caused these presents to be signed by their respective corporate officers hereunto duly authorized.

ASSIGNOR

Date: April 30 1999

Walter Schmied

STATE OF <u>CALIFORNIA</u>)

) ss.

COUNTY OF MENDOCINO)

I certify that I know or have satisfactory evidence that <u>Walter Schmied</u> is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: April 30, 1999

(Seal or stamp)



Margaret J. Ward

Printed Name: Margaret I. Ward

Notary Public

My appointment expires July 3, 2002

-4-

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ASSIGNEE

Date: 430 99	Name: Rogov + Georgin Collin Title:
--------------	--

STATE OF <u>CALIFORNIA</u>) COUNTY OF MENTOCINE)

I certify that I know or have satisfactory evidence that ROBER COLLIN AND GERBLA COLLIN is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated:	4-30-99	
--------	---------	--

MENDOCINO COUNTY COMM. EXP. APRIL 10, 2002

JDD:teb

Signature
Printed Name: CHERRYL L. WEST

Notary Public

My appointment expires 4-10-02

-5-

Assignment of Invention and Patent Application

Easter and a	Two Thousand II S. Dallana (2 000)	
ror value received, _	Two Thousand U.S. Dollars (2.000,), Walter Schmied	:
	P.O. Box 3268, Valdez, AK 99686	•
of	3 32 32 32 32 32 33 7 3 3 3 3 3 3 3 3 3	•
(hereinalter ASSIGNO	DR), hereby sells, assigns, transfers, and sets over unto	
	Herman A. Dillbeck	
01	P.O. Box 902, Slana, AK 99586	
and her or his succes	isors or assigns (hereinalter ASSIGNEE) 2 % of the following: (A) ASSIGNOR'S in and to the invention entitled " "Internal Combustion Cylinder	
Engine", de	scribed in Patent Application Number 08/926.088 .	
The state of the s	DR: (B) the application for Untied States patent therefor, signed by ASSIGNOR on U.S. Palent and Trademark Office Serial Number 08/926.088	
Filed : 09/02/	97 (C) any patent or reissues of any patent that may be granted	
thereon; and (D) any	applications which are continuations, continuations in part, substitutes, or divisions of	
	IGNOR authorizes ASSIGNEE To enter the date of signature and/or Serial Number spaces above, ASSIGNOR also authorizes and requests the Commissioner of Patents	
	sue any resulting patent(s) as follows: 85 % to ASSIGNOR and 2 %	
	ngular shall include the plural and vice-versa herein.)	
ASSIGNOR'S entire rig United States; and AS resulting from the abo papers, give arry-requing may require to enable States and countries for	rther sells, assigns, transfers, and sets over unto ASSIGNEE, the above percentage of ght, title and interest in and to said invention in each and every country foreign to the ISIGNOR further conveys to ASSIGNEE the above percentage of all priority rights ever-identified application for United States patent. ASSIGNOR agrees to execute all irred testimony and perform other lawful acts, at ASSIGNEES expense, as ASSIGNEE ASSIGNEE to perfect ASSIGNEE'S interest in any resulting patent of the United oreign thereto, and to acquire, hold, enforce, convey, and uphold the validity of said and extensions thereof, and ASSIGNEE'S interest therein.	
In testimony whereof A	ASSIGNOR has hereunto set its hand and seal on the date below.	
	Geller Liel Ju	ne. 9.1998
Al 16.	Survey engeliese	5
State Alaska	3 ss	
County: / latalust	ca - Dusitua Brought	G
Subscribed and sworn	10 before me	V
	(da:b) C C C L	
N	OFFICIAL SEAL 8 Notary Public Notary Public NATE OF ALASKA 28	
My Consequences	Comm. Expires 6 30 02 2	

PATENT REEL: 010002 FRAME: 0201

JOINT PATENT RIGHT AGREEMENT

WHEREAS, Walter Schmied ("Assignor") has assigned to Herman A. Dillbeck
("Assignee") a percent undivided ownership interest in U.S. Patent Application Serial
No. 08/926,088, entitled INTERNAL COMBUSTION CYLINDER ENGINE, in an assignment
document executed <u>June 9.1998</u> ;

WHEREAS third parties may also have been assigned or may also be assigned ownership interests in said patent application by virtue of separate agreements; and

WHEREAS Assignor and Assignee are desirous of mutually agreeing on controls of the rights to make, use, sell and offer to sell the invention disclosed and claimed in said application and share in the proceeds resulting from said invention, said application, and all continuations of said application, and patents issuing therefrom on said invention;

NOW THEREFORE, in consideration of the obligations of the respective parties hereinafter set forth, Assignor and Assignee agree as follows:

I. **DEFINITIONS**

- 1. "Invention" shall mean the invention disclosed in said application, all continuations of said application and patents issuing therefrom.
- 2. "Net Proceeds" shall mean all consideration resulting from said Invention, including, but not limited to:
 - (i) all royalties generated from agreements or licenses to third parties to make, use, sell, or offer to sell said Invention, less the cost, including attorneys' fees, to draft, negotiate and finalize said agreements or licenses; and
 - (ii) net income received from the manufacture, use, sale or offer to sell said Invention as defined by generally accepted accounting principles.
- 3. "Majority of Ownership" shall mean an ownership interest in said Invention of a party or group of parties totaling fifty-one percent (51%) or greater.

-1-

II. GRANT

- 1. Assignor hereby agrees to pay to Assignee a percentage of Net Proceeds, equal to Assignee's percent ownership in said Invention and in accordance with the payment schedule of Section III herein.
- 2. Subject to consent of the Majority of Ownership interest in said Invention, each assignee may sell, assign, or transfer onto a third party an ownership interest in said Invention equal to or less than Assignee's said percent ownership interest in said Invention, wherein consent of Majority of Ownership will not be unreasonably withheld.
 - 3. A Majority of Ownership interest in said Invention is required to:
 - (i) License said Invention to third parties the right to make, use, sell, or offer to sell;
 - (ii) Exclude others from making, using, selling, or offering to sell said Invention; or
 - (iii) To make, use, sell or offer to sell said Invention.
- 4. So long as Assignee owns or controls less than a Majority of Ownership interest in said Invention, said Assignee is prohibited from:
 - (i) Licensing said Invention to third parties the right to make, use, sell, or offer to sell;
 - (ii) Excluding others from making, using, selling, or offering to sell said Invention and all applications and patents on said Invention; or,
 - (iii) Making, using, selling or offering to sell said Invention.

III. PAYMENTS

1. The party or group of parties having a Majority of Ownership interest shall, within sixty (60) days after each calendar year, render a written report to each party, with accompanying payment for Net Proceeds in accordance with Section II herein, indicating the quantity, the price of said Invention sold and the expenses associated with said sale, during the calendar year. If no royalty is due for the calendar year, the report shall so state.

-2-

2. The party or group of parties having a Majority of Ownership interest shall keep true books of account adequate to establish payments for Net Proceeds due hereunder and are to be kept according to generally accepted accounting principles, and the party or group of parties having a Majority of Ownership interest shall make the books available for inspection by representatives of Assignor and Assignee(s) to the extent necessary for determining the

completeness and accuracy of such payments for Net Proceeds and other information for period

of seven (7) years.

IV. TERM AND TERMINATION.

1. This agreement shall terminate upon expiration of the last expiring patent licensed

hereunder; however, in no event shall the party or group of parties having a Majority of

Ownership interest be obligated to pay any payment for Net Proceeds under this agreement after

each the expiration of any patent licensed herein, or the holding invalid by a court of competent

jurisdiction of any claim covering said Invention assigned hereunder, or the holding of

noninfringement by a court of competent jurisdiction of said Invention that is substantially the

same as said Invention assigned hereunder.

2. Either Assignor or Assignee may cancel this agreement at any time, after written

notice to the other, for breach or default (including failure to make any payment for Net Proceeds

when due) on the part of the other, unless the defaulting party has remedied such breach or

default within thirty (30) days after such notice.

V. MISCELLANEOUS

1. If any of the provisions or portions thereof of this agreement are invalid under any

applicable statute or rule of law, they are, to that extent, to be deemed omitted. Otherwise, the

remaining part or parts of this agreement shall be enforced and fully performed.

2. This agreement will be interpreted, construed and enforced in all respects in

accordance with the laws of the state of Washington. Any controversy or claim arising out of or

relating to this agreement, or the default or breach thereof, will be finally settled in a court of

-3-

competent jurisdiction located within the state of Washington. In the event of adjudication of any dispute, whether by arbitration or judicially, the prevailing party will be entitled to reasonable adjudication costs, attorneys' fees and collection costs, including any appeals, as may be set by the adjudicator in such proceeding.

This agreement and earlier executed Assignment constitutes the entire agreement 3. between the parties and supersedes all prior and/or contemporaneous written or oral agreements. Any changes or modifications to this agreement must be in writing and executed by each party in order to be binding.

IN WITNESSES THEREOF, Assignor and Assignee have caused these presents to be signed by their respective corporate officers hereunto duly authorized.

ACCIGNIOD

	ASSIGNOR
Date: $3/5/1999$	Walker Salmil
, ,	Walter Schmied
STATE OF Alaska	
COUNTY OF Exercise	
I certify that I know or have satisfa	actory evidence that United Schmid
is the person who appeared before me, ar	nd said person acknowledged that he/she signed this
instrument and acknowledged it to be his/	her free and voluntary act for the uses and purposes

mentioned in the instrument.

(Seal or stamp) Printed Name: MANCY Notary Public My appointment expires _

ASSIGNEE

Date: Mar 14 99	Serman Dieleck
	Name: Kerman A. Dillbeck
	Title: <u>NO BOX 902</u>
STATE OF Alaska	51ana, AK 99586
Matakuska) ss. COUNTY OF Sustan Bodaigh	4
I certify that I know or have satisfactory ev is the person who appeared before me, and said printstrument and acknowledged it to be his/her free mentioned in the instrument.	person acknowledged that he/she signed this
Dated: 3/1/99	Alama J. Buteto
(Seal or stating) OFFICIAL SEAL NANCY L. BERTELS NOTARY PUBLIC - STATE OF MASKA My Comma. Expires 6 (2)	Signature Printed Name: Notary Public My appointment expires 6/36/02

JDD:teb

Assignment of Invention and Patent Application

For value received, <u>namely 510</u> shares of c	common stock of Scientific Motor Works, Inc.
the undersigned, Walter Schmied	:
P.O. Box 3268, Vald	lez, AK 99686
hereinalter ASSIGNOR), hereby sells, assigns, transle	
√	orks, Inc., an Alaska corporation
P.O. Box 83476, Fai	rbanks, AK 99708
and her or his successors or assigns (hereinalter ASSI right, title and interest in and to the invention entitled ",	GNEE) 20 % of the following: (A) ASSIGNOR'S "Internal Combustion Cylinder
Engine", described in Patent Applica	
invented by ASSIGNOR: (8) the application for Untied 8/22/97 .U.S. Patent and Trademark	States patent therefor, signed by ASSIGNOR on Office Serial Number 08/926,088
Filed; September 2, 1997 (C) any pathereon; and (D) any applications which are continuations and application. ASSIGNOR authorizes ASSIGNEE To and Filing Date in the spaces above. ASSIGNOR also and Trademarks to issue any resulting patent(s) as folion ASSIGNEE. (The singular shall include the plural and	enter the date of signature and/or Serial Number authorizes and requests the Commissioner of Patents ows: 65 % to ASSIGNOR and 20 %
ASSIGNOR hereby further sells, assigns, transfers, and ASSIGNOR'S entire right, title and interest in and to sail United States; and ASSIGNOR further conveys to ASSI resulting from the above-identified application for United States, give any-required testimony and perform other may require to enable ASSIGNEE to perfect ASSIGNEE States and countries foreign thereto, and to acquire, he patent and reissues and extensions thereof, and ASSIGNEE to favor of sail non-exclusive license to favor of sail nestimony whereof ASSIGNOR has hereunto set its heretiments.	id invention in each and every country foreign to the IGNEE the above percentage of all priority rights and States patent. ASSIGNOR agrees to execute all rewlut acts, at ASSIGNEES expense, as ASSIGNEE ES interest in any resulting patent of the United old, enforce, convey, and uphold the validity of said GNEE'S interest the rein.; and together with a lid Assignee to produce & market said invention
•	Walter Schmied - Assignor
State of Alaska	} ss (;
Sunscribed and sworn to before on August 3	1, 1998 by Walter Schmied.
	Notary Public for Alaska My commission expires July 7, 1999.
The manual of the second	PATENT

PATENT REEL: 010002 FRAME: 0207

JOINT PATENT RIGHT AGREEMENT

WHEREAS, Walter Schmied ("Assignor") has assigned to Scientific Motor Works, Inc. ("Assignee") a 20 percent undivided ownership interest in U.S. Patent Application Serial No. 08/926,088, entitled INTERNAL COMBUSTION CYLINDER ENGINE, in an assignment document executed Aug 31, 1998;

WHEREAS third parties may also have been assigned or may also be assigned ownership interests in said patent application by virtue of separate agreements; and

WHEREAS Assignor and Assignee are desirous of mutually agreeing on controls of the rights to make, use, sell and offer to sell the invention disclosed and claimed in said application and share in the proceeds resulting from said invention, said application, and all continuations of said application, and patents issuing therefrom on said invention;

NOW THEREFORE, in consideration of the obligations of the respective parties hereinafter set forth, Assignor and Assignee agree as follows:

I. DEFINITIONS

- 1. "Invention" shall mean the invention disclosed in said application, all continuations of said application and patents issuing therefrom.
- 2. "Net Proceeds" shall mean all consideration resulting from said Invention, including, but not limited to:
 - (i) all royalties generated from agreements or licenses to third parties to make, use, sell, or offer to sell said Invention, less the cost, including attorneys' fees, to draft, negotiate and finalize said agreements or licenses; and
 - (ii) net income received from the manufacture, use, sale or offer to sell said Invention as defined by generally accepted accounting principles.
- 3. "Majority of Ownership" shall mean an ownership interest in said Invention of a party or group of parties totaling fifty-one percent (51%) or greater.

-1-

II. GRANT

1. Assignor hereby agrees to pay to Assignee a percentage of Net Proceeds, equal to

Assignee's percent ownership in said Invention and in accordance with the payment schedule of

Section III herein.

2. Subject to consent of the Majority of Ownership interest in said Invention, each

assignee may sell, assign, or transfer onto a third party an ownership interest in said Invention

equal to or less than Assignee's said percent ownership interest in said Invention, wherein

consent of Majority of Ownership will not be unreasonably withheld.

3. A Majority of Ownership interest in said Invention is required to:

(i) License said Invention to third parties the right to make, use, sell, or offer

to sell;

(ii) Exclude others from making, using, selling, or offering to sell said

Invention; or

(iii) To make, use, sell or offer to sell said Invention.

4. So long as Assignee owns or controls less than a Majority of Ownership interest

in said Invention, said Assignee is prohibited from:

(i) Licensing said Invention to third parties the right to make, use, sell, or

offer to sell:

(ii) Excluding others from making, using, selling, or offering to sell said

Invention and all applications and patents on said Invention; or,

(iii) Making, using, selling or offering to sell said Invention.

III. PAYMENTS

1. The party or group of parties having a Majority of Ownership interest shall,

within sixty (60) days after each calendar year, render a written report to each party, with

accompanying payment for Net Proceeds in accordance with Section II herein, indicating the

quantity, the price of said Invention sold and the expenses associated with said sale, during the

calendar year. If no royalty is due for the calendar year, the report shall so state.

-2-

2. The party or group of parties having a Majority of Ownership interest shall keep true books of account adequate to establish payments for Net Proceeds due hereunder and are to be kept according to generally accepted accounting principles, and the party or group of parties

having a Majority of Ownership interest shall make the books available for inspection by

representatives of Assignor and Assignee(s) to the extent necessary for determining the

completeness and accuracy of such payments for Net Proceeds and other information for period

of seven (7) years.

IV. TERM AND TERMINATION

1. This agreement shall terminate upon expiration of the last expiring patent licensed

hereunder; however, in no event shall the party or group of parties having a Majority of

Ownership interest be obligated to pay any payment for Net Proceeds under this agreement after

each the expiration of any patent licensed herein, or the holding invalid by a court of competent

jurisdiction of any claim covering said Invention assigned hereunder, or the holding of

noninfringement by a court of competent jurisdiction of said Invention that is substantially the

same as said Invention assigned hereunder.

2. Either Assignor or Assignee may cancel this agreement at any time, after written

notice to the other, for breach or default (including failure to make any payment for Net Proceeds

when due) on the part of the other, unless the defaulting party has remedied such breach or

default within thirty (30) days after such notice.

V. MISCELLANEOUS

1. If any of the provisions or portions thereof of this agreement are invalid under any

applicable statute or rule of law, they are, to that extent, to be deemed omitted. Otherwise, the

remaining part or parts of this agreement shall be enforced and fully performed.

2. This agreement will be interpreted, construed and enforced in all respects in

accordance with the laws of the state of Washington. Any controversy or claim arising out of or

relating to this agreement, or the default or breach thereof, will be finally settled in a court of

-3-

competent jurisdiction located within the state of Washington. In the event of adjudication of any dispute, whether by arbitration or judicially, the prevailing party will be entitled to reasonable adjudication costs, attorneys' fees and collection costs, including any appeals, as may be set by the adjudicator in such proceeding.

This agreement and earlier executed Assignment constitutes the entire agreement 3. between the parties and supersedes all prior and/or contemporaneous written or oral agreements. Any changes or modifications to this agreement must be in writing and executed by each party in order to be binding.

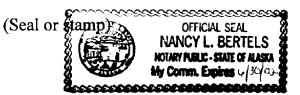
IN WITNESSES THEREOF, Assignor and Assignee have caused these presents to be signed by their respective corporate officers hereunto duly authorized.

Date: 3/5/1999 Will St. Président

ASSIGNOR

Matanuska -) ss.
COUNTY OF Surther Bordigh.

I certify that I know or have satisfactory evidence that _\dahee \Schmied is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.



Signature
Printed Name: Notary Public
My appointment expires 6/30/03-

ASSIGNEE

Date: 12/1999	SCIENTIFIC MOTOR WORKS, INC.
•	BY Name: Golfer Street
	THE SCHALLED
STATE OF ALASKA)	Christina distribut ARISTINA FOSTER DIX CORP SECT SMW
4TH JUDICIAL DISTRICT) SS.	GARISTINA FUSIER DIX
	CCRP SECT SMW
T 10 1 1 1	
I certify that I know or have satisfactor	
	aid person acknowledged that he/she signed this
	free and voluntary act for the uses and purposes
mentioned in the instrument, as president of Works, Inc., an Alaska corporation, as	or, and on behalt of, Scientific Motor The president of said corporation.
	or said desiporation.
Dated:March 12, 1999	Tregen D. Delland
(Seal or stamp)	Signature
1,	Printed Name: <u>Eugene</u> R. Belland
	Notary Public for Alaska
	My appointment expiresJuly 7, 1999.
JDD:teb	
STATE OF ALASKA) 4TH JUDICIAL DISTRICT)	
me on this 12th Day of March, 1999, by SCIENTIFIC MOTOR WORKS, INC., an Alask	Agreement was also acknowledged before CHRISTINA FOSTER DIX, as secretary of carporation, on behalf of such
corporation, the assignee therein.	Eugene R. Belland

Notary Public for Alaska My commission expires July 7, 1999.

Assignment of Invention and Patent Application

For value received, One U.S. Dollar (1,)
Walter Schmied
P.D. Box 3268, Valdez, AK 99686
(hereinalter ASSIGNOR), hereby sells, assigns, transfers, and sets over unto
Jim and Carol Graham
of Rt. 1 Box 459, Bonners Ferry, Idaho
and her or his successors or assigns (hereinafter ASSIGNEE) 2 % of the following: (A) ASSIGNOR'S right, title and interest in and to the invention entitled "Internal Combustion Cylinder
Engine", described in Patent Application Number 08/926,088
invented by ASSIGNOR: (B) the application for United States patent therefor, signed by ASSIGNOR on OB/22/97 U.S. Patent and Trademark Office Serial Number 08/926.088
Filed; 09/02/97 (C) any patent or reissues of any patent that may be granted
thereon; and (D) any applications which are continuations, continuations-in-part, substitutes, or divisions of said application. ASSIGNOR authorizes ASSIGNEE To enter the date of signature and/or Serial Number and Filting Date in the spaces above. ASSIGNOR also authorizes and requests the Commissioner of Patents and Trademarks to issue any resulting patent(s) as follows: 54 % to ASSIGNOR and 2 % to ASSIGNEE. (The singular shall include the plural and vice-versa herein.)
ASSIGNOR hereby further sells, assigns, transfers, and sets over unto ASSIGNEE, the above percentage of ASSIGNOR'S entire right, title and interest in and to said invention in each and every country foreign to the United States, and ASSIGNOR further conveys to ASSIGNEE the above percentage of all priority rights resulting from the above-identified application for United States patent. ASSIGNOR agrees to execute all papers, give any-required testimony and perform other lawful acts, at ASSIGNEES expense, as ASSIGNEE may require to enable ASSIGNEE to perfect ASSIGNEE'S interest in any resulting patent of the United States and countries foreign thereto, and to acquire, hold, enforce, convey, and uphold the validity of said patent and reissues and extensions thereof, and ASSIGNEE'S interest therein.
In testimony whereof ASSIGNOR has hereunto set its hand and seal on the date below.
wally 1 09/25/98
× fran traisans.
Siale Alaska Maral A. Graham
County: Matabuska - Sustina Boraugh ss
Subscribed and sworn to before me 9/25/98
(date) favey I Bully
OFFICIAL SEAL NOTARY PUBLIC - STATE OF ALASKA SEA! NOTARY PUBLIC - STATE OF ALASKA SEA!
7
clease signed to back GRAHEM Signed 10-02-98
BOWNERS FORM TENTO REEL: 010002 FRAME: 0213

JOINT PATENT RIGHT AGREEMENT

	Walter Schmied ("Assignor") has assigned to Jin and Gral Gral am
("Assignee") a $\underline{\mathcal{A}}$	percent undivided ownership interest in U.S. Patent Application Serial
No. 08/926,088, entit	tled INTERNAL COMBUSTION CYLINDER ENGINE, in an assignment
document executed _	9/25/98;

WHEREAS third parties may also have been assigned or may also be assigned ownership interests in said patent application by virtue of separate agreements; and

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Invention; or

(iii) To make, use, sell or offer to sell said Invention.

4. So long as Assignee owns or controls less than a Majority of Ownership interest

in said Invention, said Assignee is prohibited from:

(i) Licensing said Invention to third parties the right to make, use, sell, or

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-2-

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1. This agreement shall terminate upon expiration of the last expiring patent licensed

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Ownership interest be obligated to pay any payment for Net Proceeds under this agreement after

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when due) on the part of the other, unless the defaulting party has remedied such breach or

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applicable statute or rule of law, they are, to that extent, to be deemed omitted. Otherwise, the

remaining part or parts of this agreement shall be enforced and fully performed.

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accordance with the laws of the state of Washington. Any controversy or claim arising out of or

relating to this agreement, or the default or breach thereof, will be finally settled in a court of

-3-

competent jurisdiction located within the state of Washington. In the event of adjudication of any dispute, whether by arbitration or judicially, the prevailing party will be entitled to reasonable adjudication costs, attorneys' fees and collection costs, including any appeals, as may be set by the adjudicator in such proceeding.

This agreement and earlier executed Assignment constitutes the entire agreement between the parties and supersedes all prior and/or contemporaneous written or oral agreements. Any changes or modifications to this agreement must be in writing and executed by each party in order to be binding.

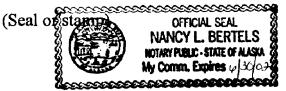
IN WITNESSES THEREOF, Assignor and Assignee have caused these presents to be signed by their respective corporate officers hereunto duly authorized.

ASSIGNOR

Walter Schmied

STATE OF Alaska

I certify that I know or have satisfactory evidence that Walter Schmid is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.



Printed Name: MANOW

Notary Public

My appointment expires 6

-4-

ASSIGNEE

Date: <u>MARCh</u> 22, 1999	Jim Graham. Jim Graham Name: CAROL GRAHAM Title:
STATE OF <u>Tolaho</u>) ss.	
I certify that I know or have satisfactory evis the person who appeared before me, and said prinstrument and acknowledged it to be his/her free mentioned in the instrument.	
Dated: MARCh 22, 1999	
(Seal or stamp)	Signature Printed Name: Dixie L. Whallow Notary Public My appointment expires Nov 11, 2000

-5-

JDD:teb

Assignment of Invention and Patent Application

For value received.	Three Thousand U.S. Dollars (3.000,)
	Walter Schmied
ol	P.O. Box 3268, Valdez, Ak 99686
	OR), hereby sells, assigns, transfers, and sets over unto
•	Joseph P. Kilian Jr.
ol	P.O. Box 1947, Valdez, Ak 99686
and her or his succes	ssors or assigns (hereinafter ASSIGNEE) 3 % of the following: (A) ASSIGNOR'S tin and to the invention entitled "Internal Combustion Cylinder
	scribed in Patent Application Number 08/926,088 •
08/22/97	OR: (8) the application for Untied States patent therefor, signed by ASSIGNOR on
said application. ASS and Filing Date in the and Trademarks to is	(C) any patent or reissues of any patent that may be granted applications which are continuations, continuations-in-part, substitutes, or divisions of SIGNOR authorizes ASSIGNEE To enter the date of signature and/or Serial Number a spaces above. ASSIGNOR also authorizes and requests the Commissioner of Patents use any resulting patent(s) as follows: 57 % to ASSIGNOR and 3 % ingular shall include the plural and vice-versa herein.)
ASSIGNOR'S entire in United States; and A resulting from the abpapers, give anymay require to enable States and countries.	urther sells, assigns, transfers, and sets over unto ASSIGNEE, the above percentage of right, title and interest in and to said invention in each and every country foreign to the SSIGNOR further conveys to ASSIGNEE the above percentage of all priority rights overdentified application for United States patent. ASSIGNOR agrees to execute all uired testimony and perform other lawful acts, at ASSIGNEES expense, as ASSIGNEE e ASSIGNEE to perfect ASSIGNEE'S interest in any resulting patent of the United foreign thereto, and to acquire, hold, enforce, convey, and uphold the validity of said and extensions thereof, and ASSIGNEE'S interest therein.
In testimony whereof	ASSIGNOR has hereunto set its hand and seal on the date below.
	Galor Sch 109/25/98
State Alaska	
County: MATANU	ska-Justin Borard 55
Subscribed and swo	rn to before me 9/05/98 (date) (date) (date)
No.	OFFICIAL SEAL ANCY L. BERTELS ARY PERFECT ALASKA Comm. Expires 1/30/03-3

PATENT REEL: 010002 FRAME: 0219

JOINT PATENT RIGHT AGREEMENT

WHEREAS, Walter Schmied ("Assignor") has assigned to Joseph P. Kiliau Jr.
("Assignee") a percent undivided ownership interest in U.S. Patent Application Seria
No. 08/926,088, entitled INTERNAL COMBUSTION CYLINDER ENGINE, in an assignmen
document executed $\frac{9/25/98}{}$;

WHEREAS third parties may also have been assigned or may also be assigned ownership interests in said patent application by virtue of separate agreements; and

WHEREAS Assignor and Assignee are desirous of mutually agreeing on controls of the rights to make, use, sell and offer to sell the invention disclosed and claimed in said application and share in the proceeds resulting from said invention, said application, and all continuations of said application, and patents issuing therefrom on said invention;

NOW THEREFORE, in consideration of the obligations of the respective parties hereinafter set forth, Assignor and Assignee agree as follows:

I. **DEFINITIONS**

- 1. "Invention" shall mean the invention disclosed in said application, all continuations of said application and patents issuing therefrom.
- 2. "Net Proceeds" shall mean all consideration resulting from said Invention, including, but not limited to:
 - (i) all royalties generated from agreements or licenses to third parties to make, use, sell, or offer to sell said Invention, less the cost, including attorneys' fees, to draft, negotiate and finalize said agreements or licenses; and
 - (ii) net income received from the manufacture, use, sale or offer to sell said Invention as defined by generally accepted accounting principles.
- 3. "Majority of Ownership" shall mean an ownership interest in said Invention of a party or group of parties totaling fifty-one percent (51%) or greater.

-1-

II. GRANT

- 1. Assignor hereby agrees to pay to Assignee a percentage of Net Proceeds, equal to Assignee's percent ownership in said Invention and in accordance with the payment schedule of Section III herein.
- 2. Subject to consent of the Majority of Ownership interest in said Invention, each assignee may sell, assign, or transfer onto a third party an ownership interest in said Invention equal to or less than Assignee's said percent ownership interest in said Invention, wherein consent of Majority of Ownership will not be unreasonably withheld.
 - 3. A Majority of Ownership interest in said Invention is required to:
 - (i) License said Invention to third parties the right to make, use, sell, or offer to sell;
 - (ii) Exclude others from making, using, selling, or offering to sell said Invention; or
 - (iii) To make, use, sell or offer to sell said Invention.
- 4. So long as Assignee owns or controls less than a Majority of Ownership interest in said Invention, said Assignee is prohibited from:
 - (i) Licensing said Invention to third parties the right to make, use, sell, or offer to sell;
 - (ii) Excluding others from making, using, selling, or offering to sell said Invention and all applications and patents on said Invention; or,
 - (iii) Making, using, selling or offering to sell said Invention.

III. PAYMENTS

1. The party or group of parties having a Majority of Ownership interest shall, within sixty (60) days after each calendar year, render a written report to each party, with accompanying payment for Net Proceeds in accordance with Section II herein, indicating the quantity, the price of said Invention sold and the expenses associated with said sale, during the calendar year. If no royalty is due for the calendar year, the report shall so state.

-2-

2. The party or group of parties having a Majority of Ownership interest shall keep true books of account adequate to establish payments for Net Proceeds due hereunder and are to be kept according to generally accepted accounting principles, and the party or group of parties having a Majority of Ownership interest shall make the books available for inspection by

completeness and accuracy of such payments for Net Proceeds and other information for period

representatives of Assignor and Assignee(s) to the extent necessary for determining the

of seven (7) years.

IV. TERM AND TERMINATION,

1. This agreement shall terminate upon expiration of the last expiring patent licensed

hereunder; however, in no event shall the party or group of parties having a Majority of

Ownership interest be obligated to pay any payment for Net Proceeds under this agreement after

each the expiration of any patent licensed herein, or the holding invalid by a court of competent

jurisdiction of any claim covering said Invention assigned hereunder, or the holding of

noninfringement by a court of competent jurisdiction of said Invention that is substantially the

same as said Invention assigned hereunder.

2. Either Assignor or Assignee may cancel this agreement at any time, after written

notice to the other, for breach or default (including failure to make any payment for Net Proceeds

when due) on the part of the other, unless the defaulting party has remedied such breach or

default within thirty (30) days after such notice.

V. MISCELLANEOUS

1. If any of the provisions or portions thereof of this agreement are invalid under any

applicable statute or rule of law, they are, to that extent, to be deemed omitted. Otherwise, the

remaining part or parts of this agreement shall be enforced and fully performed.

2. This agreement will be interpreted, construed and enforced in all respects in

accordance with the laws of the state of Washington. Any controversy or claim arising out of or

relating to this agreement, or the default or breach thereof, will be finally settled in a court of

-3-

competent jurisdiction located within the state of Washington. In the event of adjudication of any dispute, whether by arbitration or judicially, the prevailing party will be entitled to reasonable adjudication costs, attorneys' fees and collection costs, including any appeals, as may be set by the adjudicator in such proceeding.

3. This agreement and earlier executed Assignment constitutes the entire agreement between the parties and supersedes all prior and/or contemporaneous written or oral agreements. Any changes or modifications to this agreement must be in writing and executed by each party in order to be binding.

IN WITNESSES THEREOF, Assignor and Assignee have caused these presents to be signed by their respective corporate officers hereunto duly authorized.

Date:	3/5/1999	Walter Schmiel
<i></i>		
		Walter Schmied

ASSIGNOR

COUNTY OF TOCCUPE) ss.

I certify that I know or have satisfactory evidence that hat the satisfactory evidence that he s

(Seal or clamp)

OFFICIAL SEAL

NANCY L. BERTELS

NOTARY PUBLIC: STATE OF ALASIA

Notary Public

Printed Name: Mary L. Contact

Notary Public

My appointment expires 6 36 69

ASSIGNEE

Date:3-10 · 99	Name: Joseph P. Kilian Jr
CTATE OF	
STATE OF) ss.	
COUNTY OF)	
I certify that I know or have satisfactory is the person who appeared before me, and said instrument and acknowledged it to be his/her free mentioned in the instrument.	
Dated: 3-10-99	Janoie Christo
(Seal or stamped TARY PUBLIC	Signature Printed Name: Janese Chrysta
JANESE CHRYSTAL	
STATE OF ALASKA MY COMMISSION EXPIRES MAY 14, 1999	Notary Public My appointment expires
14, 1999	wiy appointment expires

JDD:teb

Assignment of Invention and Patent Application

value received, Ten Thonsand	U.S. DollARS	(\$10,000,00)
WALTER Schmie	4	
P.O. BOX 3268 VAL	DEZ ALASKA	99686
ereinalter ASSIGNOR), hereby sells, assigns, tr	ransiers, and sets over unto	
MICHAEL JOLLIFFE		
22000 PETALUMA AVE.	FORT BRAGO	5, CALIFORNIA
nd her or his successors or assigns (hereinafter		e following: (A) ASSIGNOR:S
ght, little and interest in and to the invention entited the Combustion (Cylinder Eng	INE .
vented by ASSIGNOR: (B) the application for U	•	
- 1	mark Office Serial Number <u>(</u>	
ereon; and (D) any applications which are conti aid application. ASSIGNOR authorizes ASSIGNE and Filing Date in the spaces above. ASSIGNOR and Trademarks to issue any resulting patent(s) a ASSIGNEE (The singular shall include the plur	EE To enter the date of signal also authorizes and requests as follows. 47 % to AS	ture and/or Serial Number s the Commissioner of Patents
SSIGNOR nereby further sells, assigns, transfer SSIGNOR'S entire right, title and interest in and Inited States, and ASSIGNOR further conveys to esuiting from the above-identified application for apers, give any required testimony and perform may require to enable ASSIGNEE to perfect ASSI tates and countries foreign thereto, and to acquiatent and reissues and extensions thereof, and	to said invention in each and a ASSIGNEE the above perceind united States patent. ASSIGNET to their lawful acts, at ASSIGNIGNEE'S interest in any resulting, hold, enforce, convey, and	d every country foreign to the entage of all priority rights BNOR agrees to execute all IEES expense, as ASSIGNEE ting patent of the United no uphold the validity of said
i testimony whereof ASSIGNOR has hereunto se	et its hand and seal on the da	ale below
tate <u>Of California</u>)	
County: of Mendocino	ss	• •
	muary 22, 1999	
ouschoed and sworn to begin e me	(date)	et I whid

PATENT REEL: 010002 FRAME: 0225 JOINT PATENT RIGHT AGREEMENT

WHEREAS, Walter Schmied ("Assignor") has assigned to MICHAEL JOLLIFFE

("Assignee") a TWO percent undivided ownership interest in U.S. Patent Application Serial

No. 08/926,088, entitled INTERNAL COMBUSTION CYLINDER ENGINE, in an assignment

document executed JANUAR 1 22, 1999:

WHEREAS third parties may also have been assigned or may also be assigned ownership

interests in said patent application by virtue of separate agreements; and

WHEREAS Assignor and Assignee are desirous of mutually agreeing on controls of the

rights to make, use, sell and offer to sell the invention disclosed and claimed in said application

and share in the proceeds resulting from said invention, said application, and all continuations of

said application, and patents issuing therefrom on said invention;

NOW THEREFORE, in consideration of the obligations of the respective parties

hereinafter set forth, Assignor and Assignee agree as follows:

I. DEFINITIONS

1. "Invention" shall mean the invention disclosed in said application, all

continuations of said application and patents issuing therefrom.

2. "Net Proceeds" shall mean all consideration resulting from said Invention.

including, but not limited to:

(i) all royalties generated from agreements or licenses to third parties to make.

use, sell, or offer to sell said Invention, less the cost, including attorneys' fees, to draft.

negotiate and finalize said agreements or licenses; and

(ii) net income received from the manufacture, use, sale or offer to sell said

Invention as defined by generally accepted accounting principles.

3. "Majority of Ownership" shall mean an ownership interest in said Invention of a

party or group of parties totaling fifty-one percent (51%) or greater.

-1-

II. GRANT

- 1. Assignor hereby agrees to pay to Assignee a percentage of Net Proceeds, equal to Assignee's percent ownership in said Invention and in accordance with the payment schedule of Section III herein.
- 2. Subject to consent of the Majority of Ownership interest in said Invention, each assignee may sell, assign, or transfer onto a third party an ownership interest in said Invention equal to or less than Assignee's said percent ownership interest in said Invention, wherein consent of Majority of Ownership will not be unreasonably withheld.
 - 3. A Majority of Ownership interest in said Invention is required to:
 - (i) License said Invention to third parties the right to make, use, sell, or offer to sell;
 - (ii) Exclude others from making, using, selling, or offering to sell said Invention; or
 - (iii) To make, use, sell or offer to sell said Invention.
- 4. So long as Assignee owns or controls less than a Majority of Ownership interest in said Invention, said Assignee is prohibited from:
 - (i) Licensing said Invention to third parties the right to make, use, sell, or offer to sell;
 - (ii) Excluding others from making, using, selling, or offering to sell said Invention and all applications and patents on said Invention; or,
 - (iii) Making, using, selling or offering to sell said Invention.

III. PAYMENTS

1. The party or group of parties having a Majority of Ownership interest shall, within sixty (60) days after each calendar year, render a written report to each party, with accompanying payment for Net Proceeds in accordance with Section II herein, indicating the quantity, the price of said Invention sold and the expenses associated with said sale, during the calendar year. If no royalty is due for the calendar year, the report shall so state.

-2-

2. The party or group of parties having a Majority of Ownership interest shall keep true books of account adequate to establish payments for Net Proceeds due hereunder and are to be kept according to generally accepted accounting principles, and the party or group of parties having a Majority of Ownership interest shall make the books available for inspection by representatives of Assignor and Assignee(s) to the extent necessary for determining the completeness and accuracy of such payments for Net Proceeds and other information for period of seven (7) years.

IV. TERM AND TERMINATION

1. This agreement shall terminate upon expiration of the last expiring patent licensed hereunder; however, in no event shall the party or group of parties having a Majority of Ownership interest be obligated to pay any payment for Net Proceeds under this agreement after each the expiration of any patent licensed herein, or the holding invalid by a court of competent jurisdiction of any claim covering said Invention assigned hereunder, or the holding of noninfringement by a court of competent jurisdiction of said Invention that is substantially the same as said Invention assigned hereunder.

2. Either Assignor or Assignee may cancel this agreement at any time, after written notice to the other, for breach or default (including failure to make any payment for Net Proceeds when due) on the part of the other, unless the defaulting party has remedied such breach or default within thirty (30) days after such notice.

V. MISCELLANEOUS

1. If any of the provisions or portions thereof of this agreement are invalid under any applicable statute or rule of law, they are, to that extent, to be deemed omitted. Otherwise, the remaining part or parts of this agreement shall be enforced and fully performed.

2. This agreement will be interpreted, construed and enforced in all respects in accordance with the laws of the state of Washington. Any controversy or claim arising out of or relating to this agreement, or the default or breach thereof, will be finally settled in a court of

-3-

competent jurisdiction located within the state of Washington. In the event of adjudication of any dispute, whether by arbitration or judicially, the prevailing party will be entitled to reasonable adjudication costs, attorneys' fees and collection costs, including any appeals, as may be set by the adjudicator in such proceeding.

3. This agreement and earlier executed Assignment constitutes the entire agreement between the parties and supersedes all prior and/or contemporaneous written or oral agreements. Any changes or modifications to this agreement must be in writing and executed by each party in order to be binding.

IN WITNESSES THEREOF, Assignor and Assignee have caused these presents to be signed by their respective corporate officers hereunto duly authorized.

ASSIGNOR

Date: April 30 1999

Walter Schmied

STATE OF CALIFORNIA

) ss.

COUNTY OF MENDOCINO)

I certify that I know or have satisfactory evidence that <u>Walter Schmied</u> is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: April 30, 1999

(Seal or stamp)



margaret J. Ufark

Printed Name: Margaret I. Ward

Notary Public

My appointment expires July 3, 2002

ASSIGNEE

Date:	APRIL	30,	1999
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STATE OF CALIFORNIA)

) ss.

COUNTY OF MENDOCINO)

I certify that I know or have satisfactory evidence that Michael Jolliffe is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: April 30, 1999

(Seal or stamp)



Printed Name: Margaret I. Ward

Notary Public

My appointment expires July 3, 2002

JDD:teb

-5-

SMWIN10579AG DOC

PATENT REEL: 010002 FRAME: 0230

Assignment of Invention and Patent Application

For value received, Ten Thousand U.S. Dollars (\$10,000.00)
WALTER Schmied
of P.O. Box 3268 VALDEZ, ALASKA 99686
(hereinalter ASSIGNOR), hereby sells, assigns, transfers, and sets over unto
LandBank Properties, Inc.
of Post Office Box 186, Mendocino, CA 95460
and her or his successors or assigns (hereinafter ASSIGNEE)
Internal Combustion Cylinder Engine .
•
invented by ASSIGNOR: (B) the application for United States patent therefor, signed by ASSIGNOR on 8/25/91. U.S. Patent and Trademark Office Serial Number 68/926088.
Filed; 92.97 (C) any patent or reissues of any patent that may be granted thereon; and (D) any applications which are continuations, continuations-in-part, substitutes, or divisions of said application. ASSIGNOR authorizes ASSIGNEE To enter the date of signature and/or Serial Number and Filing Date in the spaces above. ASSIGNOR also authorizes and requests the Commissioner of Patents and Trademarks to issue any resulting patent(s) as follows. 49 % to ASSIGNOR and 2 % to ASSIGNEE. (The singular shall include the plural and vice-versa herein.)
ASSIGNOR hereby further sells, assigns, transfers, and sets over unto ASSIGNEE, the above percentage of ASSIGNOR'S entire right, title and interest in and to said invention in each and every country foreign to the United States, and ASSIGNOR further conveys to ASSIGNEE the above percentage of all priority rights resulting from the above-identified application for United States patent. ASSIGNOR agrees to execute all papers, give any required testimony and perform other lawful acts, at ASSIGNEES expense, as ASSIGNEE may require to enable ASSIGNEE to perfect ASSIGNEE'S interest in any resulting patent of the United States and countries foreign thereto, and to acquire, hold, enforce, convey, and uphold the validity of said patent and reissues and extensions thereof, and ASSIGNEE'S interest therein.
In testimony whereof ASSIGNOR has hereunto set its hand and seal on the date below
Walter S. l. 1/22/99
State of California ss
County: of Mendocino
Subscribed and sworn to before me On January 22, 1999 (date) (date) Notary Public
MARGARET IWARD Comm. # 1188317 NOTARY PUBLIC - CALIFORNIA Mendocino County My Comm. Expires July 3, 2002

PATENT REEL: 010002 FRAME: 0231

JOINT PATENT RIGHT AGREEMENT

WHEREAS third parties may also have been assigned or may also be assigned ownership interests in said patent application by virtue of separate agreements; and

WHEREAS Assignor and Assignee are desirous of mutually agreeing on controls of the rights to make, use, sell and offer to sell the invention disclosed and claimed in said application and share in the proceeds resulting from said invention, said application, and all continuations of said application, and patents issuing therefrom on said invention;

NOW THEREFORE, in consideration of the obligations of the respective parties hereinafter set forth, Assignor and Assignee agree as follows:

I. **DEFINITIONS**

- 1. "Invention" shall mean the invention disclosed in said application, all continuations of said application and patents issuing therefrom.
- 2. "Net Proceeds" shall mean all consideration resulting from said Invention, including, but not limited to:
 - (i) all royalties generated from agreements or licenses to third parties to make, use, sell, or offer to sell said Invention, less the cost, including attorneys' fees, to draft, negotiate and finalize said agreements or licenses; and
 - (ii) net income received from the manufacture, use, sale or offer to sell said Invention as defined by generally accepted accounting principles.
- 3. "Majority of Ownership" shall mean an ownership interest in said Invention of a party or group of parties totaling fifty-one percent (51%) or greater.

-1-

II. GRANT

- 1. Assignor hereby agrees to pay to Assignee a percentage of Net Proceeds, equal to Assignee's percent ownership in said Invention and in accordance with the payment schedule of Section III herein.
- 2. Subject to consent of the Majority of Ownership interest in said Invention, each assignee may sell, assign, or transfer onto a third party an ownership interest in said Invention equal to or less than Assignee's said percent ownership interest in said Invention, wherein consent of Majority of Ownership will not be unreasonably withheld.
 - 3. A Majority of Ownership interest in said Invention is required to:
 - (i) License said Invention to third parties the right to make, use, sell, or offer to sell;
 - (ii) Exclude others from making, using, selling, or offering to sell said Invention; or
 - (iii) To make, use, sell or offer to sell said Invention.
- 4. So long as Assignee owns or controls less than a Majority of Ownership interest in said Invention, said Assignee is prohibited from:
 - (i) Licensing said Invention to third parties the right to make, use, sell, or offer to sell:
 - (ii) Excluding others from making, using, selling, or offering to sell said Invention and all applications and patents on said Invention; or,
 - (iii) Making, using, selling or offering to sell said Invention.

III. PAYMENTS

1. The party or group of parties having a Majority of Ownership interest shall, within sixty (60) days after each calendar year, render a written report to each party, with accompanying payment for Net Proceeds in accordance with Section II herein, indicating the quantity, the price of said Invention sold and the expenses associated with said sale, during the calendar year. If no royalty is due for the calendar year, the report shall so state.

-2-

2. The party or group of parties having a Majority of Ownership interest shall keep true books of account adequate to establish payments for Net Proceeds due hereunder and are to be kept according to generally accepted accounting principles, and the party or group of parties having a Majority of Ownership interest shall make the books available for inspection by representatives of Assignor and Assignee(s) to the extent necessary for determining the

completeness and accuracy of such payments for Net Proceeds and other information for period

of seven (7) years.

IV. TERM AND TERMINATION

1. This agreement shall terminate upon expiration of the last expiring patent licensed

hereunder; however, in no event shall the party or group of parties having a Majority of

Ownership interest be obligated to pay any payment for Net Proceeds under this agreement after

each the expiration of any patent licensed herein, or the holding invalid by a court of competent

jurisdiction of any claim covering said Invention assigned hereunder, or the holding of

noninfringement by a court of competent jurisdiction of said Invention that is substantially the

same as said Invention assigned hereunder.

2. Either Assignor or Assignee may cancel this agreement at any time, after written

notice to the other, for breach or default (including failure to make any payment for Net Proceeds

when due) on the part of the other, unless the defaulting party has remedied such breach or

default within thirty (30) days after such notice.

V. MISCELLANEOUS

1. If any of the provisions or portions thereof of this agreement are invalid under any

applicable statute or rule of law, they are, to that extent, to be deemed omitted. Otherwise, the

remaining part or parts of this agreement shall be enforced and fully performed.

2. This agreement will be interpreted, construed and enforced in all respects in

accordance with the laws of the state of Washington. Any controversy or claim arising out of or

relating to this agreement, or the default or breach thereof, will be finally settled in a court of

-3-

competent jurisdiction located within the state of Washington. In the event of adjudication of any dispute, whether by arbitration or judicially, the prevailing party will be entitled to reasonable adjudication costs, attorneys' fees and collection costs, including any appeals, as may be set by the adjudicator in such proceeding.

3. This agreement and earlier executed Assignment constitutes the entire agreement between the parties and supersedes all prior and/or contemporaneous written or oral agreements. Any changes or modifications to this agreement must be in writing and executed by each party in order to be binding.

IN WITNESSES THEREOF, Assignor and Assignee have caused these presents to be signed by their respective corporate officers hereunto duly authorized.

ASSIGNOR

Date: April 20 1999

Walter Schmied

STATE OF <u>CALIFORNIA</u>)

SS.

COUNTY OF MENDOCINO)

I certify that I know or have satisfactory evidence that <u>Walter Schmied</u> is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: April 30, 1999

(Seal or stamp)

MARGARET I. WARD
Comm. # 1188317
HOTARY PUBLIC - CALIFORNIA
Mendocino County
My Comm. Expires July 3, 2002

Signature Signature

Printed Name: Margaret I. Ward

Notary Public

My appointment expires <u>July 3, 200</u>2

ASSIGNEE

Date:	April	L	30	199	ો ૧	
Duit.	1 127			•	•	

Name: Tatuh & Soulle

STATE OF <u>CALIFORNIA</u>) ss.

COUNTY OF MENDOCINO

I certify that I know or have satisfactory evidence that <u>Patrick J. Saville</u> is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: April 30, 1999

(Seal or stamp)



Signature Signature J. Ward

Printed Name: Margaret I. Ward

Notary Public

My appointment expires July 3, 2002

JDD:teb

Assignment of Invention and Patent Application

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PATENT

REEL: 010002 FRAME: 0237

JOINT PATENT RIGHT AGREEMENT

WHEREAS, Walter Schmied ("Assignor") has assigned to THE KEARNEY LIVING Trust-May 2
("Assignee") a 2 percent undivided ownership interest in U.S. Patent Application Serial
No. 08/926,088, entitled INTERNAL COMBUSTION CYLINDER ENGINE, in an assignment
document executed 1/22/99;

WHEREAS third parties may also have been assigned or may also be assigned ownership interests in said patent application by virtue of separate agreements; and

WHEREAS Assignor and Assignee are desirous of mutually agreeing on controls of the rights to make, use, sell and offer to sell the invention disclosed and claimed in said application and share in the proceeds resulting from said invention, said application, and all continuations of said application, and patents issuing therefrom on said invention;

NOW THEREFORE, in consideration of the obligations of the respective parties hereinafter set forth, Assignor and Assignee agree as follows:

I. DEFINITIONS

- 1. "Invention" shall mean the invention disclosed in said application, all continuations of said application and patents issuing therefrom.
- 2. "Net Proceeds" shall mean all consideration resulting from said Invention, including, but not limited to:
 - (i) all royalties generated from agreements or licenses to third parties to make, use, sell, or offer to sell said Invention, less the cost, including attorneys' fees, to draft, negotiate and finalize said agreements or licenses; and
 - (ii) net income received from the manufacture, use, sale or offer to sell said Invention as defined by generally accepted accounting principles.
- 3. "Majority of Ownership" shall mean an ownership interest in said Invention of a party or group of parties totaling fifty-one percent (51%) or greater.

-1-

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PATENT REEL: 010002 FRAME: 0238

II. GRANT

- 1. Assignor hereby agrees to pay to Assignee a percentage of Net Proceeds, equal to Assignee's percent ownership in said Invention and in accordance with the payment schedule of Section III herein.
- 2. Subject to consent of the Majority of Ownership interest in said Invention, each assignee may sell, assign, or transfer onto a third party an ownership interest in said Invention equal to or less than Assignee's said percent ownership interest in said Invention, wherein consent of Majority of Ownership will not be unreasonably withheld.
 - 3. A Majority of Ownership interest in said Invention is required to:
 - (i) License said Invention to third parties the right to make, use, sell, or offer to sell;
 - (ii) Exclude others from making, using, selling, or offering to sell said Invention; or
 - (iii) To make, use, sell or offer to sell said Invention.
- 4. So long as Assignee owns or controls less than a Majority of Ownership interest in said Invention, said Assignee is prohibited from:
 - (i) Licensing said Invention to third parties the right to make, use, sell, or offer to sell;
 - (ii) Excluding others from making, using, selling, or offering to sell said Invention and all applications and patents on said Invention; or,
 - (iii) Making, using, selling or offering to sell said Invention.

III. PAYMENTS

1. The party or group of parties having a Majority of Ownership interest shall, within sixty (60) days after each calendar year, render a written report to each party, with accompanying payment for Net Proceeds in accordance with Section II herein, indicating the quantity, the price of said Invention sold and the expenses associated with said sale, during the calendar year. If no royalty is due for the calendar year, the report shall so state.

-2-

2. The party or group of parties having a Majority of Ownership interest shall keep true books of account adequate to establish payments for Net Proceeds due hereunder and are to be kept according to generally accepted accounting principles, and the party or group of parties having a Majority of Ownership interest shall make the books available for inspection by representatives of Assignor and Assignee(s) to the extent necessary for determining the completeness and accuracy of such payments for Net Proceeds and other information for period of seven (7) years.

IV. TERM AND TERMINATION

1. This agreement shall terminate upon expiration of the last expiring patent licensed hereunder; however, in no event shall the party or group of parties having a Majority of Ownership interest be obligated to pay any payment for Net Proceeds under this agreement after each the expiration of any patent licensed herein, or the holding invalid by a court of competent jurisdiction of any claim covering said Invention assigned hereunder, or the holding of noninfringement by a court of competent jurisdiction of said Invention that is substantially the same as said Invention assigned hereunder.

2. Either Assignor or Assignee may cancel this agreement at any time, after written notice to the other, for breach or default (including failure to make any payment for Net Proceeds when due) on the part of the other, unless the defaulting party has remedied such breach or default within thirty (30) days after such notice.

V. MISCELLANEOUS

1. If any of the provisions or portions thereof of this agreement are invalid under any applicable statute or rule of law, they are, to that extent, to be deemed omitted. Otherwise, the remaining part or parts of this agreement shall be enforced and fully performed.

2. This agreement will be interpreted, construed and enforced in all respects in accordance with the laws of the state of Washington. Any controversy or claim arising out of or relating to this agreement, or the default or breach thereof, will be finally settled in a court of

-3-

competent jurisdiction located within the state of Washington. In the event of adjudication of any dispute, whether by arbitration or judicially, the prevailing party will be entitled to reasonable adjudication costs, attorneys' fees and collection costs, including any appeals, as may be set by the adjudicator in such proceeding.

3. This agreement and earlier executed Assignment constitutes the entire agreement between the parties and supersedes all prior and/or contemporaneous written or oral agreements. Any changes or modifications to this agreement must be in writing and executed by each party in order to be binding.

IN WITNESSES THEREOF, Assignor and Assignee have caused these presents to be signed by their respective corporate officers hereunto duly authorized.

ASSIGNOR

Date: April 30. 1999

Walter Schmied

STATE OF CALIFORNIA)

) ss.

COUNTY OF MENDOCINO)

I certify that I know or have satisfactory evidence that <u>Walter Schmied</u> is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: April 30, 1999

(Seal or stamp)



Margaret J. Ward

Printed Name: Margaret I. Ward

Notary Public

My appointment expires July 3, 2002

-4-

ASSIGNEE

Date: 430/99	
	Name: KENKEARNEY
	Title: Training
STATE OF CALIFORNIA	
) ss. COUNTY OF MENDOCINO)	
I certify that I know or have satisfactory ev	
is the person who appeared before me, and said instrument and acknowledged it to be his/her free mentioned in the instrument.	•
mentioned in the first different.	
Dated: April 30, 1999	
	margaret J. Ward
(Seal or stamp)	Signature Signature
MARGARET I. WARD	Printed Name: Margaret I. Ward
Comm. # 1188317	Notary Public
NOTARY PUBLIC - CALIFORNIA Mendocino County My Comm. Expires (vb. 3, 2002)	My appointment expires July 3, 2002

JDD:teb

-5-

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RECORDED: 06/02/1999

PATENT REEL: 010002 FRAME: 0242