

09-24-2002



EET

TO THE ASSISTANT COMMISSIONER FOR

102230625

Original documents or copy thereof.

1. Name of conveying party(ies): (If multiple assignors, list numerically)

Frederick L. Jordan

Additional name(s) of conveying party(ies) attached?

() Yes ☒ No

2. Name and address of receiving party(ies):

Name: Oryxe Energy International, Inc.

Street Address: 6 Thomas Avenue

City: Irvine State: CA ZIP: 92618

Additional name(s) of receiving party(ies) attached?

() Yes ☒ No

3. Nature of conveyance:

- (X) Assignment
() Merger
() Security Agreement
() Change of Name
() Other:

Execution Date: (If multiple assignors, list execution dates in numerical order corresponding to numbers indicated in 1 above) 9/12/02

4. Application number(s) or Patent number(s):

() Application(s) filed herewith Execution Date(s):

() Patent Application No.:

Filing Date:

(X) Patent No.: 5,826,369

Issue Date: October 27, 1998Additional numbers attached? () Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Rose M. Thiessen

KNOBBE, MARTENS, OLSON & BEAR, LLP

Customer No. 20,995

Internal Address: Fourteenth Floor

Street Address: 2040 Main Street

City: Irvine State: CA ZIP: 92614

Attorney's Docket No.: ORYXENG.057A

7. Total fee (37 CFR 1.21(h)): \$40

(X) Enclosed

() Authorized to be charged to deposit account

8. Deposit account number: 11-1410

Please charge this account for any additional fees which may be required, or credit any overpayment to this account.

6. Total number of applications and patents involved: 1

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct, and any attached copy is a true copy of the original document.

Rose M. Thiessen

Name of Person Signing

Signature

Date

40,202

Registration No.

Total number of pages including cover sheet, attachments and document: 26

Mail documents to be recorded with required cover sheet information to:

09/23/2002 DBYRME 00000184 5826369

01 FC:581

40.00 OP

U.S. Patent and Trademark Office
Attn: Assignment Division
Crystal Gateway-4
1213 Jefferson Davis Highway, Suite 320
Arlington, VA 22202

HF-DOCS:RMT:RMT-7514.DOC:Im
091602

OFFICE OF PUBLIC RECORDS
2002 SEP 20 AM 7:44
FINANCE SECTION

PATENT
REEL: 13295 FRAME: 0855

WHEREAS, I, Frederick L. Jordan, a U.S.A. citizen, residing at 2051 La Colina Drive, Santa Ana, CA 92705, have invented certain new and useful improvements (hereinafter "Original Improvements") in a CHLOROPHYLL BASED FUEL ADDITIVE FOR REDUCING POLLUTANT EMISSIONS for which I filed an application for Letters Patent in the United States, U.S. Application No. 08/163,651 (hereinafter "the '651 application"), filed December 7, 1993, now abandoned;

WHEREAS, I executed an assignment of my rights in and to the Original Improvements and the '651 application to Barto/Jordan Company Inc. (hereinafter "Barto/Jordan");

WHEREAS, the Assignment Branch at the Patent and Trademark Office erroneously recorded the assignment referred to above in the records of U.S. Application No. 08/169,651, filed December 20, 1993;

WHEREAS, I believe that Barto/Jordan obtained the assignment of the '651 application from me under false pretenses because I believe that Barto/Jordan did not fulfill its obligations under the agreement with me under which I assigned said rights in the '651 application, the factual basis for these beliefs being set forth in the appended Declaration of Frederick L. Jordan (marked as "Exhibit A");

WHEREAS, I invented certain additional new and useful improvements (hereinafter "Additional Improvements"), for which Barto/Jordan subsequently filed U.S. Serial No. 717,844 (hereinafter "the '844 application") on September 23, 1996 as a continuation-in-part of the '651 application, said continuation-in-part application now issued as U.S. Patent No. 5,826,369 (hereinafter "the '369 patent"), the '369 patent having issued on October 27, 1998;

WHEREAS, I refused to sign the Declaration for the '844 application and Barto/Jordan proceeded with the '844 application under 37 C.F.R. § 1.47(b) without my cooperation;

WHEREAS, I did not assign my rights to said Additional Improvements to Barto/Jordan, because I believed and continue to believe that I was and am under no valid obligation to do so;

WHEREAS, I never assigned my rights to said Additional Improvements to any other entity;

WHEREAS, all of the claims of the '369 patent relate to a composition comprising chlorophyll or a use thereof, and the '651 application fails to disclose the use of chlorophyll, and consequently none of the claims of the '369 patent were fully disclosed in the '651 application in the manner required by 35 U.S.C. § 112;

AND WHEREAS, I believe that the assignment of my rights to the Original Improvements and the '651 application was obtained under false pretenses, and that as a result I retain the equitable rights to the Original Improvements;

WHEREAS, I desire that ORYXE Energy International, Inc. (hereinafter "ASSIGNEE"), a Delaware Corporation, with its principal place of business at 6 Thomas Avenue, Irvine, California 92618, acquire my entire right, title, and interest in and to the said Original Improvements and the said Additional Improvements;

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) to me in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged, I, the said inventor, do hereby acknowledge that I have sold, assigned, transferred and set over, and by these presents do hereby sell, assign, transfer and set over, unto the said ASSIGNEE, its successors, legal representatives and assigns, my entire right, title, and interest throughout the world in, to and under the said Additional Improvements and in, to and under any claim of the '369 patent that was not fully disclosed in the '651 application in the manner required by 35 U.S.C. § 112, and any such rights in all divisions, renewals and continuations thereof, and all Letters Patent of the United States which may be granted thereon and all reissues and extensions thereof, and all rights of priority under International Conventions and applications for Letters Patent which may hereafter be filed for said Additional Improvements in any country or countries foreign to the United States, and all Letters Patent which may be granted for said Additional Improvements in any country or countries foreign to the United States and all extensions, renewals and reissues thereof; and I hereby authorize and request the Commissioner of Patents of the United States, and any Official of any country or countries foreign to the United States, whose duty it is to issue patents on applications as aforesaid, to issue all Letters Patent for said Additional Improvements to the said ASSIGNEE, its successors, legal representatives and assigns, in accordance with the terms of this instrument.

I HEREBY covenant and agree that I will communicate to the said ASSIGNEE, its successors, legal representatives and assigns, any facts known to me respecting said Additional Improvements, and testify in any legal proceeding, sign all lawful papers, execute all divisional, continuing and reissue applications, make all rightful oaths and generally do everything possible to aid the said ASSIGNEE, its successors, legal representatives and assigns, to obtain and enforce proper patent protection for said Additional Improvements in all countries.

AND FURTHERMORE, in consideration of the sum of an additional One Dollar (\$1.00) to me in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged, I, the said inventor, do hereby acknowledge that I have sold, assigned, transferred and set over, and by these presents do hereby sell, assign, transfer and set over, unto the said ASSIGNEE, its successors, legal representatives and assigns, any such right, title, and interest throughout the world that I presently retain in, to and under the said Original Improvements, and any such rights in any patent applications, including divisions, renewals and continuations thereof, and all Letters Patent of the United States which may be granted thereon and all reissues and extensions thereof, and all rights of priority under International Conventions and applications for Letters Patent which may hereafter be filed for said Original Improvements in any country or countries foreign to the United States, and all Letters Patent which may be granted for said Original Improvements in any country or countries foreign to the United States and all extensions, renewals and reissues thereof; and I hereby authorize and request the Commissioner of Patents of the United States, and any Official of any country or countries foreign to the United States, whose duty it is to issue patents on applications as aforesaid, to issue all Letters Patent for said Original Improvements to the said ASSIGNEE, its successors, legal representatives and assigns, in accordance with the terms of this instrument.

I ALSO HEREBY covenant and agree that I will communicate to the said ASSIGNEE, its successors, legal representatives and assigns, any facts known to me respecting said Original Improvements, and testify in any legal proceeding, sign all lawful papers, execute all divisional, continuing and reissue applications, make all rightful oaths and generally do everything possible to aid the said ASSIGNEE, its successors, legal representatives and assigns, to obtain and enforce proper patent protection for said Original Improvements in all countries.

IN TESTIMONY WHEREOF, I hereunto set my hand and seal this 12 day of September 2002.

Frederick L. Jordan

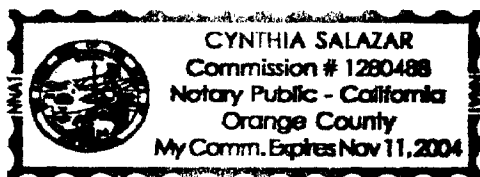
Frederick L. Jordan

STATE OF California
COUNTY OF Orange } ss.

On 09/12/02, before me, Cynthia Salazar, Notary Public, personally appeared Frederick L. Jordan ~~personally known to me~~ (or proved to me on the basis of satisfactory evidence) to be the person ~~whose name is/are~~ subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity ~~(as)~~, and that by his signature ~~(s)~~ on the instrument the person ~~(s)~~, or the entity upon behalf of which the person ~~(s)~~ acted, executed the instrument.

WITNESS my hand and official seal.

[SEAL]



Cynthia Salazar
Notary Signature

EXHIBIT A

EXHIBIT 1

**SHAREHOLDER AGREEMENT
FOR
BARTO/JORDAN COMPANY, INC.**

THIS SHAREHOLDER AGREEMENT is made and entered into as of the 19th day of August, 1993, by and among BARTO/JORDAN COMPANY, INC., a California corporation (the "COMPANY"), and the following shareholders ("Shareholders"):

JERREL C. BARTO ("BARTO"), whose address is 1041 West 18th Street, Costa Mesa, California 92627; and

FREDERICK L. JORDAN ("JORDAN"), whose address is 2051 La Colina Drive, Santa Ana, California 92705;

with reference to the following facts:

A. The COMPANY concurrently has issued and outstanding one thousand (1,000) shares of its common stock, all of which are owned by the Shareholders as follows:

<u>Shareholder</u>	<u>Number of Shares</u>
BARTO	500
JORDAN	500

B. The Shareholders desire to become parties to and subject their shares of capital stock of the COMPANY to a shareholder's agreement as provided in Section 300 of the California Corporations Code (the "Code").

C. All future shareholders of the COMPANY shall become parties to this Agreement, and such new holders shall be deemed "Shareholders" hereunder.

IN FURTHERANCE OF THE FOREGOING, and in consideration of the promises and the mutual covenants and conditions herein contained, the parties hereby agree as follows:

**ARTICLE 1
CAPITALIZATION**

In order to enable the COMPANY to carry out its business as contemplated under the Articles of Incorporation, the Shareholders agree to cause the COMPANY to be capitalized as follows:

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1.1 By BARTO.

1.1.1 Initial Capital. Concurrently with the execution hereof, BARTO has or will contribute equipment, materials, personnel and cash necessary to develop the technology as hereafter defined up to a value of One Million Dollars (\$1,000,000) unless otherwise agreed to by BARTO

1.2 By JORDAN. JORDAN hereby contributes all of his right, title and interest in and to all technology, designs, formulas, systems, techniques, patents and trademarks of whatever kind or character developed and/or owned by JORDAN with respect to petrochemical fuels and/or fuel additives including, without limitation, such interest, if any, JORDAN has in United States Patent No: 4274835 (the "Technology"). In furtherance hereof, JORDAN agrees to execute such documents and take such other actions as reasonably necessary to cause sole ownership of the Technology to be vested in the COMPANY free and clear of any liens and encumbrances. Notwithstanding the foregoing, JORDAN assigns all of his right, title and interest in the Technology to the COMPANY, without warranty as to potential claims relating to the ownership of the Technology or possible infringement of rights of others. Any losses resulting from claims by third parties relating to the Technology shall be borne by the COMPANY.

ARTICLE 2
BOARD OF DIRECTORS

During the term of this Agreement the board of directors of the COMPANY (the "Board") shall consist of all of the initial Shareholders, and annual or other elections of directors are hereby waived. The COMPANY shall be managed and controlled in accordance with this Agreement. Neither the Board nor the Shareholders shall be required to hold annual, regular or special meetings, and any action or decision made by the Board or the Shareholders may be evidenced by any writing executed by the requisite number of Shareholders as specified in this Agreement, or otherwise if the Shareholders may agree in writing. Any Shareholder may authorize any other person to represent or act as proxy for such Shareholder at any meeting according to the written instructions of the authorizing Shareholder.

ARTICLE 3
EMPLOYMENT AGREEMENT

Concurrently herewith, the COMPANY has entered into an employment agreement with JORDAN (the "Employment Agreement"), a copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference.

ARTICLE 4
REQUIRED VOTE OF SHAREHOLDERS

In addition to any other actions which may require the vote of the Shareholders pursuant to the Code, the Articles of Incorporation or the Bylaws of the COMPANY, the COMPANY shall not take any of the following actions without unanimous approval of the Shareholders:

(a) Cause any distribution of dividends to the Shareholders;

(b) Enter into any licensing agreement for Technology or other proprietary information, patents, trademarks, trade secrets, designs, formulae, systems, techniques, know-how, and other data relating to petrochemical fuel and/or fuel additives, including all books, records or other information storage devices relating thereto or containing any of the foregoing ("Additional Technology");

(c) Terminate or modify the terms of the Employment Agreement;

(d) Cause or permit the COMPANY to enter into any transaction with any Shareholder, or any affiliate of any Shareholder; or

(e) Cause the COMPANY to enter into any substantial contract or commitment outside of the ordinary course of the COMPANY's business.

ARTICLE 5
DISPOSITION OF TECHNOLOGY
IN THE EVENT OF DISSOLUTION

5.1 By BARTO. In the event BARTO elects to dissolve the COMPANY pursuant to the terms of Section 1900 et seq. of the Code, except as otherwise required by the Code, after determining that all the known debts and liabilities of the COMPANY have been paid or adequately provided for, the COMPANY shall cause all of its right, title and interest in and to the Technology and the Additional Technology to be distributed to JORDAN, and shall distribute all other remaining corporate assets among the Shareholders according to their respective rights and preferences.

5.2 By JORDAN. In the event JORDAN elects to dissolve the COMPANY pursuant to the terms of Section 1900 et seq. of the Code, after determining that all known debts and liabilities of the COMPANY have been paid or adequately provided for, the COMPANY shall distribute all remaining corporate assets among the Shareholders according to their respective rights and preferences.

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5.3 Additional Documents. The parties agree to execute and deliver such additional documents and instruments as may be reasonably necessary to carry out the foregoing provisions and to vest title to the various assets in the persons to whom they are being distributed.

5.4 Waiver. The parties hereby agree to the foregoing method of distribution of the assets of the COMPANY upon voluntary dissolution in lieu of the liquidation provisions of the code, and expressly waive Sections 200, 2004 and 2006 of the Code.

ARTICLE 6 RESTRICTION ON TRANSFER

6.1 Permitted Transfers. A Shareholder may not transfer all or any part of the Shareholder's shares of the capital stock of the COMPANY (the "Shares") without the prior written consent of all of the other Shareholders, except as follows:

- (a) To the COMPANY or to any other Shareholder;
- (b) For an individual Shareholder, by succession or testamentary disposition on his death;
- (c) For an individual Shareholder, to himself/ herself as trustee of a trust for the benefit of himself/herself, his spouse or his or her children, provided such transfer is made expressly subject to all of the terms and conditions of this Agreement; or
- (d) To a corporation, partnership or other entity only if (i) the COMPANY is not then an S Corporation as defined in Section 1361 of the Internal Revenue Code, and (ii) immediately following the transfer, the Shareholder making the transfer owns at least a majority of that corporation's, partnership's or entity's voting power, and provided such transfer is made expressly subject to all of the terms and conditions of this Agreement.

6.2 S Corporation Election/Close Corporation. The Shareholders agree to cause the COMPANY to be treated as an "S Corporation" under Section 1362 of the Internal Revenue Code and a "Close Corporation" under Section 158 of the Code, and in furtherance thereof the following restrictions shall apply:

- (a) No Shareholder shall be permitted to pledge or encumber his Shares, unless the creditor to whom the Shares are pledged, or in whose favor the Shares are encumbered, gives the COMPANY and the other Shareholders an option to purchase the pledged or encumbered Shares upon default at a price and upon terms acceptable to the other Shareholders.

(b) No Shareholder shall be permitted to transfer his Shares, whether by sale, gift, devise or bequest, if the transfer will result in all of the stock of the COMPANY being held by more than thirty-five (35) eligible Shareholders.

(c) No Shareholder shall be permitted to transfer his Shares, whether by sale, gift, devise or bequest, to a non-resident alien, a corporation or any other person or entity that is not permitted to be a Shareholder of an S Corporation under the provisions of the Internal Revenue Code and applicable Treasury Regulations.

(d) COMPANY shall not engage in any transaction that could potentially be deemed to create a second class of stock, and any attempt to engage in any such transaction shall be null and void.

(e) COMPANY shall not generate passive investment income in excess of twenty-five percent (25%) of gross revenue.

6.3 Effect of Transfer. Except as otherwise herein specifically permitted, any sale, transfer, pledge or encumbrance or purported sale, transfer, pledge or encumbrance of any of the Shares shall be null and void. Any transferee of any of the Shares shall be subject to all of the terms, conditions, restrictions and obligations of this Agreement and any such transferee shall execute and deliver to the COMPANY a written assumption agreement in form satisfactory to the COMPANY, which shall contain agreements by the transferee to be bound by all the terms and conditions of this Agreement and to assume all obligations of the transferring Shareholder under this Agreement.

ARTICLE 7 OPTIONAL BUY-OUT PROVISIONS

7.1 Offer. At any time after the fifth (5th) anniversary of the formation of the COMPANY, any Shareholder (the "Offeror"), provided that Offeror is not in breach of this Agreement, may offer to buy all, but not less than all, of the Shares owned by any other Shareholder (the "Offeree") by delivering to Offeree a written notice (the "Offer") stating Offeror's proposed purchase price for the Shares (the "Purchase Price").

7.2 Reply Notice. Offeree shall have thirty (30) days after the receipt of the Offer within which to send written notice (the "Reply Notice") to Offeror stating whether the Offeree will:

(a) Sell to Offeror all of Offeree's Shares; or

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(b) Buy from Offeror all of Offeror's Shares or an equal number of Offeror's Shares as owned by Offeree at the same price per Share. If Offeror fails to receive the Reply Notice within the 30-day period, Offeree shall be conclusively deemed to have accepted Offeror's offer to purchase Offeree's Shares, and a binding contract of purchase and sale shall be deemed to be formed between Offeror and Offeree at the Purchase Price. This deemed acceptance shall be a complete estoppel to any action taken, or defense raised, by any person who in any way contests the validity, formation or existence of a contract of purchase and sale as described in this Article 7. If Offeree elects to purchase, it shall purchase an equal number of Shares from Offeror, or all of Offeror's Shares, at the applicable Purchase Price.

7.3 Closing of Purchase. The closing for the purchase of the Shares shall take place at the principal place of business of the COMPANY within sixty (60) days after formation of the contract of purchase pursuant to Section 6.2. The purchase price shall be paid in cash in an amount equal to twenty percent (20%) of the Purchase Price, and the balance shall be paid in the form of a promissory note providing for sixty (60) equal monthly payments beginning thirty (30) days from the closing, together with interest on the unpaid portion in the amount of the higher of (a) two (2) percentage points over the reference rate established from time to time by the Bank of America NT & SA, San Francisco, California, or (b) the minimum rate provided by Section 483 of the Code, but in no event in excess of the maximum rate allowed by law. At the closing, the Shareholder purchasing the Shares (the "Buyer") shall deliver to the Shareholder selling the Shares (the "Seller") cash and a promissory note in a total amount equaling the Purchase Price established in accordance with Section 6.1, and the Seller shall deliver to the Buyer the certificates evidencing Seller's Shares, properly endorsed for transfer to the Buyer. Seller shall pledge the purchased shares as security for any remaining obligation hereunder.

7.4 Default. If the Buyer does not close the purchase of Shares pursuant to the provisions of this Article 7, the Buyer shall be deemed to be in default hereunder, and the Seller, in addition to its other rights and remedies, may (but need not) elect, by a notice (to be effective immediately) to the Buyer, to (a) purchase the Buyer's Shares of the Buyer at a purchase price equal to eighty percent (80%) of the Purchase Price of the Shares to be sold to Buyer, or (b) file suit for consequential and incidental damages arising from the Buyer's failure to close the purchase. All loans of the Seller owing to the COMPANY shall be repaid to the COMPANY simultaneously with the first payment made in connection with any agreement reached under the procedures of this Article 7 unless those loans were fully taken into account in determining the Purchase Price.

7.5 Waiver. The Shareholders acknowledge that they may have disproportionate bargaining positions at the time of any

Offer. Each Shareholder nonetheless hereby waives any fiduciary or other obligation to the other in regard to the provisions of this Agreement, other than the obligation to act in good faith in accordance with the provisions of this Article 7.

ARTICLE 8 TERMINATION

This Agreement shall terminate on the occurrence of any of the following events:

(a) The written agreement of the COMPANY and all the Shareholders which then own any Shares;

(b) Pursuant to Subdivision (b) of Section 300 of the Code, a transfer resulting in the COMPANY having more than the maximum number of holders of record of its shares as specified in the Articles;

(c) The dissolution, bankruptcy, or insolvency of the COMPANY;

(d) At such time as only one Shareholder remains, the Shares of the other Shareholders having been transferred or redeemed;

(e) If all of the remaining Shareholders die simultaneously or under such circumstances that the survivor cannot be determined; or

(f) A public offering of any Shares of the COMPANY which necessitates the filing of a registration statement with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended.

Notwithstanding the foregoing, in the event of a termination of this Agreement pursuant to subsection (b), above, this Agreement shall continue to the extent it is enforceable apart from subdivision (b) of Section 300 of the Code.

ARTICLE 9 TRADE SECRETS

It is acknowledged that each Shareholder will have access to and be entrusted with detailed confidential and proprietary information concerning the business, products, and technology of the COMPANY, including, without limitation, designs, formulae, inventions, discoveries, improvements and innovations, as well as information concerning the business of the corporation, including the names of customers, vendors or suppliers, costs of materials or services, marketing methods and other information developed in connection with the operation of the business (collectively, the

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"Trade Secrets"), and that disclosure of any of the Trade Secrets would be highly detrimental to the COMPANY and would substantially detract from the value of the COMPANY. Each Shareholder agrees that the Trade Secrets are owned by the COMPANY alone, and neither Shareholder shall disclose any of the Trade Secrets, or use any of them for his own benefit, during the term of this Agreement and for a period of five (5) years thereafter, unless such Shareholder has lawfully acquired the Trade Secrets from the COMPANY.

ARTICLE 10 GENERAL PROVISIONS

10.1 Intent To Comply with Law and Regulations. It is the intention of all parties to this Agreement that this Agreement shall comply with the requirements of the provisions of the California Corporations Code, and with the regulations promulgated thereunder. Furthermore, the COMPANY shall apply for and use its best efforts to obtain all governmental and administrative approvals required in connection with the purchase and sale of any Shares under this Agreement. The Shareholders shall cooperate in obtaining the approvals and to execute any and all documents that may be required to be executed by them in connection with the approvals. The COMPANY shall pay all costs and filing fees in connection with obtaining the approvals. Both the Shareholders and the COMPANY shall perform any further acts and to execute and deliver any further documents which may be reasonably necessary to carry out the provisions of this Agreement.

10.2 Successors and Assigns. This Agreement shall bind and inure to the benefit of the successors, assigns, personal representatives, heirs and legatees of the respective parties.

10.3 Amendment. This Agreement may be amended at any time by the written Agreement of the COMPANY and all of the Shareholders who then own any Shares.

10.4 Severability. Should any one or more of the provisions of this Agreement be determined to be illegal or unenforceable, all other provisions of the Agreement shall be given effect separately from the provisions so determined, and the other provisions shall not be affected by the illegality or unenforceability.

10.5 Governing Law. It is the intention of the parties that the laws of California shall govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties.

10.6 Attorneys' Fees. The COMPANY shall reimburse each Shareholder for all reasonable attorneys' fees and costs incurred by such Shareholder in connection with the negotiation and execution of this Agreement and any employment agreement between such

Shareholder and the COMPANY at such time as the COMPANY first realizes profits sufficient to pay said fees.

10.7 Counterparts. This Agreement may be executed in separate counterparts that shall collectively and separately be considered one Agreement.

10.8 Entire Agreement. This Agreement contains the entire understanding between the parties hereto concerning the subject matter contained herein. There are no representations, agreements, arrangements, or understandings, oral or written, between or among the parties hereto, relating to the subject matter of this Agreement, which are not fully expressed herein.

10.9 Notices. Any and all notices, demands, requests, or other communications required or permitted by this contract or by law to be served on, given to, or delivered to any party hereto by any other party to this Agreement shall be in writing and shall be deemed duly served, given, or delivered when personally delivered to the party or to an officer of the party, or in lieu of such personal delivery, when deposited in the United States mail, first-class postage prepaid, addressed to the COMPANY at the address of its principal office, COMPANY ADDRESS, or to a Shareholder at the address then appearing for him or her on the books and records of the COMPANY. Provided, however, any requirement in this Agreement that an act be done by the Secretary within a specified time after receipt of any notice or other communication means the act must be done within the specified time after the notice or other communication has actually arrived at the office of the COMPANY. The COMPANY may change the address of its principal office in the manner required by law for purposes of this Section by giving notice of the change, in the manner required by this Section to each of the Shareholders.

10.10 Legend. Each share certificate of COMPANY, when issued, shall have the following words endorsed on it:

THE SALE, TRANSFER, ASSIGNMENT OR PLEDGE OF THE
SHARES REPRESENTED BY THIS CERTIFICATE IS
RESTRICTED BY THE PROVISIONS OF AN AGREEMENT
BETWEEN THE REGISTERED OWNER AND THE CORPORATION.
COPIES OF SAID AGREEMENT ARE FILED IN THE RECORDS
OF THE CORPORATION.

Any share certificate that is outstanding as of the date of this Agreement shall be delivered to the Secretary for endorsement with said legend.

A copy of this Agreement shall be delivered to the Secretary and shall be shown by him to any person making inquiry about it.

10.11 Reclassification, Reorganization, Merger, Additional Shares. If there is a reclassification of the Shares of the COMPANY, or a reorganization (not involving another corporation),

recapitalization, stock split, stock dividend, combination of shares, or any change in the capital structure of the COMPANY, or additional issuance, purchase, or other acquisition of Shares of the COMPANY by or to the Shareholders (or to any one of them) or their successor(s) in interest, all Shares obtained as a result of any such event by the Shareholders or their successor(s) in interest in addition to, in exchange for, or in respect of the Shares subject to this Agreement, shall also be subject to this Agreement.

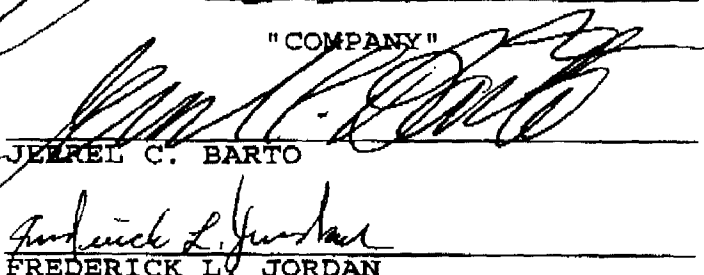
IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

BARTO/JORDAN COMPANY, INC., a
California corporation

By: 

Its: 

"COMPANY"

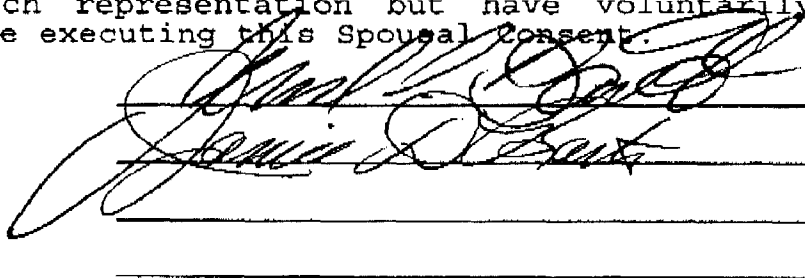

JERREL C. BARTO


FREDERICK L. JORDAN

"Shareholders"

SPOUSE'S CONSENT TO AGREEMENT

I acknowledge that I have read the foregoing Shareholder Agreement (the "Agreement") attached hereto, and that I know its contents. I further acknowledge and agree that the Agreement has been prepared by the law firm of Meserve, Mumper & Hughes without a view of representing any individual's interest herein or therein to the exclusion of any other. Further, I understand that my interests have not been individually or separately represented. I have signed this Spouse's Consent To Agreement ("Spousal Consent") freely and voluntarily and waive any right to rescind or set aside this Spousal Consent. I execute this Spousal Consent based upon my own independent investigation and knowledge of the facts and specifically do not rely upon any representations made by any person except those specifically set forth in this Spousal Consent. Consequently, I acknowledge I have been advised to seek my own independent counsel to represent my own particular interests and I do hereby acknowledge and certify that I have received such representation or have had the opportunity to seek such representation but have voluntarily chose not to do so before executing this Spousal Consent.



EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made and entered into this 19TH day of August, 1993, by and between FREDERICK L. JORDAN, an individual (hereinafter "JORDAN"), and BARTO/JORDAN COMPANY, INC., a California Corporation (hereinafter "COMPANY") and personally guaranteed by JERREL C. BARTO (hereinafter "BARTO") (hereinafter collectively referred to as the "parties") with regard to the following facts:

R E C I T A L S

A. COMPANY is in the business of developing and marketing products relating to petrochemical fuels and/or fuel additives.

B. Concurrently with the execution hereof, JORDAN has contributed all of his right, title and interest in and to all technology, designs, formulas, systems, techniques, patents and trademarks of whatever kind or character developed and/or owned by JORDAN with respect to petrochemical fuels and/or fuel additives including, without limitation, such interest, if any, JORDAN has in the United States Patent No: 4274835 (the "Technology").

C. COMPANY desires to employ JORDAN as its Vice President - Research and Development to, among other things, research and develop additional technology, designs, formulas, systems, techniques, patents and/or trademarks relating to petrochemical fuels and/or fuel additives ("Additional Technology").

D. JORDAN is willing to provide the services to COMPANY upon the terms and conditions as set forth below.

NOW THEREFORE, in consideration of the mutual benefits to be derived from this Agreement and of the representations, warranties, covenants, agreements, conditions and promises contained herein and for good and valuable consideration, receipt of which is hereby acknowledged, it is hereby agreed as follows:

ARTICLE 1
GENERAL TERMS

1.1 Engagement. COMPANY hereby employs FREDERICK L. JORDAN as its Vice President - Research and Development, on the terms and conditions provided in this Article.

1.2 Term. The respective duties and obligations of the parties hereto shall be deemed to commence on June 1, 1993, and shall continue for a term of one (1) year from and after such commencement date, unless sooner terminated as provided in this Article. This Agreement shall be automatically renewed on the first of June for each succeeding year unless and until either party shall dissolve the COMPANY pursuant to the Shareholder Agreement.

1.3 Lab Space and Equipment. During the term of this Agreement and any extensions thereof, COMPANY shall provide adequate lab facilities, office and secretarial help, supplies, equipment and other assistance to JORDAN to enable JORDAN to properly perform his services under this Agreement.

1.4 Services. FREDERICK L. JORDAN shall perform the following services pursuant to this Agreement:

(a) Make himself available at all reasonable times to manage and conduct all phases and aspects of the business operations of COMPANY, including without limitation, the production, sales and marketing of products utilizing the Technology;

(b) Devote a substantial amount of JORDAN's time and attention to the research and development of Additional Technology;

(c) Provide COMPANY with the benefit of his experience, contacts, relationships and expertise in COMPANY's business.

JORDAN need not devote his full time or attention to his duties under this Agreement, but shall devote only such time and attention as may be reasonably necessary to perform the services specified. Barto acknowledges that JORDAN is engaged in other business, research, development and other activities, and such activities shall not constitute violations of this Agreement. COMPANY also acknowledges that it is aware of such other activities, and agrees that JORDAN is free to pursue such other activities.

1.5 Compensation. As consideration for JORDAN's services under this Agreement, JORDAN shall be compensated in the amount of Seventy-nine Thousand Dollars (\$79,000) payable as follows:

(a) Except as provided in paragraph (b) and (c), below, during the term of this Agreement, JORDAN shall receive monthly payments of \$5,000, plus the sum of \$300 per month as reimbursement for automobile expenses;

(b) During July and August of 1993 (and of each succeeding renewal year), in lieu of the amounts set forth in subparagraph (a), above, JORDAN shall receive Seven Thousand Dollars (\$7,000) per month; and

(c) JORDAN shall have the right to receive an additional Fifteen Thousand Dollars (\$15,000), payable as desired by JORDAN.

JORDAN hereby acknowledges receipt of the sum of Five Thousand Dollars (\$5,000) for each of the months of June and July, 1993 as provided under this Agreement.

1.6 Ownership of Additional Technology.

(a) All Additional Technology (as that term is defined here) developed by JORDAN under this Agreement shall be the sole property of COMPANY. In furtherance of the foregoing, JORDAN shall cause any and all Additional Technology to be assigned to COMPANY and shall execute any and all documents and take such other actions as reasonably requested by COMPANY in order to effect such assignment to and ownership by COMPANY.

(b) COMPANY acknowledges that JORDAN is currently engaged in, and will continue to be engaged in, research and development efforts with respect to fields other than petrochemical fuels and/or fuel additives (the "Other Technology") and that the Other Technology is not subject to Section 1.6(a), above, and will be owned solely by JORDAN. Notwithstanding the foregoing, at such time as any portion of the Other Technology is developed by JORDAN during the term of this Agreement, JORDAN shall first negotiate in good faith with COMPANY for the acquisition of such Other Technology by COMPANY or Barto, except for developments in and products developed from activities described in paragraph 1.4. In the event JORDAN and COMPANY and/or Barto are unable to come to agreement on the acquisition of the Other Technology by COMPANY and/or Barto after good faith

negotiations, JORDAN shall be free to deal with the Other Technology as he pleases, free of any claims by COMPANY and/or Barto or any person claiming through COMPANY and/or Barto.

1.7 Non-Competition. JORDAN shall not, during the term of this Agreement, acquire or hold any interest as a stockholder, director, agent or otherwise in, or engage in any activity for, any corporation or other form of business entity engaged in any activity competitive with the business of COMPANY, unless he shall have first obtained the written approval of COMPANY. Ownership of less than three percent (3%) of the outstanding stock of any corporation whose shares are publicly traded shall not constitute a violation of this section.

1.8 Termination. This Agreement shall be terminated whenever JORDAN and COMPANY shall mutually agree to termination in writing. Upon termination, JORDAN shall be entitled to receive any fee accrued but unpaid as of the date of termination and shall not be entitled to additional fees or other monies.

1.9 Trade Secrets. During the term of this Agreement, JORDAN may have access to and become acquainted with various trade secrets, consisting of formulas, patterns, devices, secret inventions, processes and compilations of information, records and specifications, which are owned by COMPANY and which are regularly used in the operation of COMPANY's business. JORDAN shall not disclose any of the aforesaid trade secrets, directly or indirectly, or use them in any way, either during the term of this Agreement or at any time thereafter, except as required in the course of his engagement hereunder. All files, records, documents, drawings, specifications, equipment and similar items relating to the business of COMPANY, whether prepared by JORDAN or otherwise coming into his possession, shall remain the exclusive property of COMPANY and shall not be removed from the premises of COMPANY under any circumstances whatsoever without the prior written consent of COMPANY.

1.10 Expenses. JORDAN shall be entitled to an automobile allowance of Three Hundred Dollars (\$300.00) per month, and shall be entitled to reimbursement of his reasonable out-of-pocket expenses incurred in connection with the performance of his services under this Agreement.

1.11 Obligations Guaranteed. The obligations of the COMPANY under this Agreement shall be guaranteed by JERREL C. BARTO.

ARTICLE 2
GENERAL PROVISIONS

2.1 Entire Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof, and no other agreement, statement, or promise relating to the subject matter of this Agreement which is not contained herein shall be valid or binding.

2.2 Attorneys' Fees. If any action is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which he may be entitled.

2.3 Assignment. Neither this Agreement nor any duties or obligations hereunder shall be assignable by JORDAN without the prior written consent of COMPANY.

2.4 Additional Documents. Each of the parties hereto will execute any additional agreements, assignments or documents that may be deemed necessary or advisable by the others to effectuate the purposes of this Agreement.

2.5 Inurement. This Agreement shall inure to the benefit of, and shall be binding upon, the assigns, successors-in-interest, personal representatives, estates, heirs and legatees of each of the parties hereto.

2.6 Miscellaneous. Neither this Agreement nor any provisions hereof may be amended, modified, waived, discharged or terminated except by an instrument in writing duly signed by both parties.

2.7 Governing Law. The validity of this Agreement and any of its terms and provisions, as well as the rights and duties of the parties hereunder, shall be governed by the laws of the State of California.

2.8 Notices. All notices required or permitted to be given hereunder shall be in writing and shall be sent by first class, certified or registered mail, return receipt requested, postage prepaid, deposited in the United States mail, and properly addressed as follows:

If to JORDAN:

2051 La Colina Drive
Santa Ana, CA 92705

If to COMPANY:

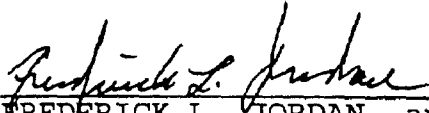
L. Allan Songstad, Jr.
18500 Von Karman Avenue
Suite 600
Irvine, California 92715

If to BARTO:

1014 West 18th Street
Costa Mesa, CA 92627

2.9 Survival of Representations. All representations, warranties and covenants of each of the parties hereto shall be true and correct as of the execution of this Agreement and shall survive such execution.

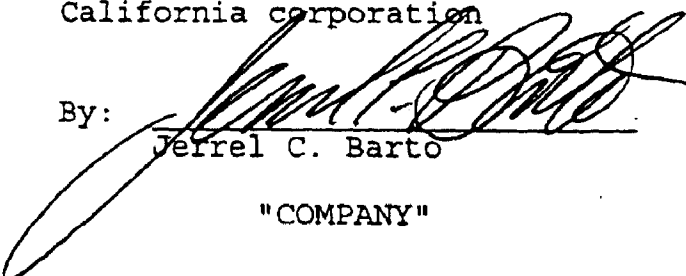
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.


FREDERICK L. JORDAN, an
individual

"JORDAN"

BARTO/JORDAN COMPANY, INC., a
California corporation

By:


Jerrel C. Barto

"COMPANY"

AGREED AND ACCEPTED:


JERREL C. BARTO