

Form PTO-1595 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) OUTT-026/02US; OUTT-026/01US; OUTT-026/02US; OUTT-027/00US and OUTT-027/01US		RECORDATION COVER SHEET PATENTS ONLY		U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office	
To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.					
1. Name of conveying party(ies): FRISBY TECHNOLOGIES, INC.		2. Name and address of receiving party(ies) OUTLAST HOLDING, LTD. 5480 Valmont Road, Suite 200 Boulder, Colorado 80301 Additional name(s) & address(es) attached? No <input checked="" type="checkbox"/> Yes <input type="checkbox"/>			
Additional name(s) of conveying party(ies) attached? [] Yes [X] No					
3. Nature of conveyance: <input checked="" type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other ()					
Execution Date: 09-20-2004 and 09-23-2004					
4. Application number(s) or patent number(s): 6,696,143; 6,270,836; 6,197,415; 6,171,647; and 6,099,894 If this document is being filed together with a new application, the execution date of the application is: A. Patent Application No.(s) B. Patent No.(s) Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
5. Name and address of party to whom correspondence concerning document should be mailed: Cooley Godward LLP Patent Group Five Palo Alto Square, 3000 El Camino Real Palo Alto, CA 94306-2145		6. Total number of applications and patents involved: [5] 7. Total fee (37 CFR 3.41)\$200.00 <input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to deposit account 8. Deposit account number: 03-3117 The Commissioner is hereby authorized to charge any appropriate fee under 37 CFR 3.41 that may be required by this paper, and to credit any overpayment, to Deposit Account No. (PA) 03-3117. This paper is submitted in duplicate.			
DO NOT USE THIS SPACE					
9. Statement and signature. <i>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.</i> <u>Chiff Z. Lin, Reg. No. 50,834</u> <u>Oct 6, 2004</u> Name of Person Signing Signature Date Total number of pages including cover sheet, attachments, and documents: [6]					

Mail documents to be recorded with required cover sheet information to:
Mail Stop Assignment Recordation Services, Director of the U.S. Patent and Trademark Office
P.O. Box 1450, Alexandria, VA 22313-1450

I hereby certify that this correspondence is being transmitted by facsimile addressed to Mail Stop Assignment Recordation, Facsimile Number (703) 306-5993, at United States Patent and Trademark Office, Alexandria, VA 22313-1450 at 4:00 p.m. on October 5, 2004.
By: Cathi L.G. Thorsen
Cathi L.G. Thorsen

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Assignment of Patents

This Assignment of Patents (this "Assignment"), dated below, is entered into by and between Frisby Technologies, Inc., a Delaware corporation ("Assignor"), and Outlast Holding, Ltd., a Colorado corporation ("Assignee"). Collectively, Assignor and Assignee are referred to herein as the "Parties."

WHEREAS, Assignor desires to transfer to Assignee all of Assignor's right, interest and title in and to the patents described on Exhibit A, attached hereto and incorporated herein, together with all reexaminations, reissues, continuations, and divisions thereof and all income, royalties, damages, and payments now or hereafter due and receivable with respect thereto, and rights to such things; all goodwill associated with the patents; and all research files and related materials, if any, and any other data used or held for use in connection with the patents (collectively, the "Patents").

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged and deemed sufficient, for the matters recited in this Assignment, and for other valid and good consideration, the Parties agree as follows:

Assignor hereby conveys, assigns and transfers to Assignee all of Assignor's entire right, title, privileges, and interest in and to the Patents, together with all reexaminations, reissues, continuations, parts, and divisions thereof and all income, royalties, damages, and payments now or hereafter due and receivable with respect thereto, and all rights to such things; all goodwill associated with the Patents; and all research files and related materials, if any, and any other data used or held for use in connection with the Patents. Upon the execution of this Assignment, Assignor shall provide Assignee with all research files and related materials, if any, and any other data used or held for use in connection with the Patents. Assignor further, and without limitation, conveys, assigns and transfers all of Assignor's right to sue and counter-sue for and obtain damages, injunctive relief and attorneys' fees for all past, present or future infringements of the Patents both at common law and under the statutes of the United States or any other country, and for all claims and causes of action in favor of Assignor heretofore accrued or hereafter accruing with respect thereto for misappropriation, infringement or other legal or equitable violation of proprietary or other rights in the Patents. Assignor further, and without limitation, conveys, assigns and transfers to Assignee the benefits of all contracts or agreements concerning the Patents.

Assignor hereby covenants, represents and warrants to Assignee that:

- (A) Assignor is the exclusive owner of all right, title and interest in and to the Patents and has the authority and all necessary rights to assign all right, title and interest in and to the Patents to Assignee and otherwise fulfill its obligations under this Assignment.
- (B) Assignor has not sold, transferred, licensed, assigned, encumbered, pledged, agreed to limit, or leased any right, title or interest in or to the Patents to any third party. The Patents are not subject to any security interest or

- mortgage (and are without any obligation to any person or entity for royalties, fees or commissions).
- (C) Assignor's rights in and to the Patents are valid and enforceable and Assignor is without knowledge that Assignor's execution and performance of this Assignment, the transactions contemplated herein and/or Assignee's subsequent use of the Patents will infringe, misappropriate, misuse or conflict with the rights, including any intellectual property or contractual rights, of third parties.
 - (D) Assignor is without knowledge that any person or entity or such person's or entity's business or products has infringed, misused, misappropriated or conflicted with the Patents or currently is infringing, misusing, misappropriating or conflicting with the Patents.
 - (E) Assignor is without knowledge that any third party has rights that are adverse to Assignor's claim of ownership of the Patents.
 - (F) There are no actions, suits, claims, disputes, interferences, reexaminations, or proceedings or governmental investigations pending or threatened against Assignor with respect to the Patents, or the use thereof by Assignor, either at law or in equity, before any court or administrative agency or before any governmental department, commission, board, bureau, agency or instrumentality, or before any arbitration board or panel whether located in the United States or a foreign country. Assignor has not failed to comply with any law, rule, regulation, writ, judgment, injunction, decree, determination, award or other order of any court or other governmental agency or instrumentality, domestic or foreign, which failure in any case would in any material respect impair any rights of Assignee under this Assignment.
 - (G) The registrations relating to the Patents are in good standing and have not been subject to any adverse final court order. The Patents have not been abandoned.

Assignor, at the request of Assignee or its counsel, and at no additional charge, shall execute, acknowledge and deliver any and all papers, transfers, or other documents or instruments that Assignee may determine necessary, in its reasonable discretion, to carry out the intent of this Assignment; provided, however, this Assignment shall be effective regardless of whether any such additional documents are executed. Assignor hereby irrevocably appoints Assignee and its duly authorized officers and agents as Assignor's agent and attorney-in-fact, which appointment is coupled with an interest, for and on Assignor's behalf, if Assignee is unable for any reason to secure Assignor's signature, to assign all of such ownership interest and rights to Assignee and to execute and file any instruments or documents and to do all other lawfully permitted acts to further the intent of this Assignment, with the same legal force and effect as if executed by Assignor. Further, Assignor, at Assignee's reasonable expense (other than expenses associated with the time of Assignor's employees), shall assist with and review, sign and execute promptly any and all documents required in connection with the preparation, application, filing, affirmation, prosecution, registration, defense, explanation, recordation, exploitation, or policing of any rights associated with the Patents. Assignor

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shall do and perform all acts that Assignee may determine necessary, in its reasonable discretion, to carry out the intent of this Assignment and to enforce Assignee's rights in the Patents against third parties.

Signed under seal on this the __ day of September, 2004.

ASSIGNOR
FRISBY TECHNOLOGIES, INC.

By: Mary Q. Lee (SEAL)
Its: Chief Restructuring Officer

ASSIGNEE
OUTLAST HOLDING, LTD.

By: [Signature] (SEAL)
Its: [Signature]

NORTH CAROLINA

GUILFORD COUNTY

I, the undersigned Notary Public, do hereby certify that MARK GILIS personally appeared before me and acknowledged that s/he is the Chief Restructuring Officer of FRISBY TECHNOLOGIES, INC. and that by authority duly given and as the act of FRISBY TECHNOLOGIES, INC., the foregoing Assignment of Patents was signed in its name by her/him as an officer thereof.

Witness my hand and official seal on this 20th day of September, 2004.

Angela M. Carroll
Notary Public

My Commission Expires:

4-3-2005



COLORADO
~~NORTH CAROLINA~~

Doelder COUNTY

I, the undersigned Notary Public, do hereby certify that J. Brad Poorman personally appeared before me and acknowledged that s/he is the VP Sales & Marketing of OUTLAST HOLDING, LTD. and that by authority duly given and as the act of OUTLAST HOLDING, LTD., the foregoing Assignment of Patents was signed in its name by her/him as a Vice President thereof.

Witness my hand and official seal on this 23^d day of September, 2004.

[Signature]
Notary Public

My Commission Expires:

My Commission Expires
11/15/2004



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EXHIBIT A

- a. Patent Number 6,696,145
Gel-coated materials with increased flame retardancy;
- b. Patent Number 6,270,836
Gel-coated microcapsules;
- c. Patent Number 6,197,415
Gel-coated material with increased flame retardancy;
- d. Patent Number 6,171,647
Gel-coated microcapsules; and
- e. Patent Number 6,099,894
Gel-coated microcapsules.