

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	MERGER
EFFECTIVE DATE:	05/19/2006
CONVEYING PARTY DATA	
Name	Execution Date
Encap Motor Corporation	05/19/2006
RECEIVING PARTY DATA	
Name:	Encap Merger Co., Inc.
Street Address:	1334 Bay Street
City:	Alameda
State/Country:	CALIFORNIA
Postal Code:	94501
PROPERTY NUMBERS Total: 20	
Property Type	Number
Application Number:	11167972
Application Number:	11439733
Application Number:	11225233
Application Number:	11475431
Application Number:	11443805
Patent Number:	6300695
Patent Number:	6362554
Patent Number:	6437464
Patent Number:	6941640
Patent Number:	7049715
Patent Number:	6501616
Patent Number:	6617721
Patent Number:	6753628
Patent Number:	7019422

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PATENT

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REEL: 018524 FRAME: 0001

Patent Number:	7067944
Patent Number:	6844636
Patent Number:	6892439
Patent Number:	6911166
Patent Number:	7036207
Patent Number:	7067952

CORRESPONDENCE DATA

Fax Number: (801)355-7901

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: (801) 355-7900

Email: sshurtz@usebrinks.com

Correspondent Name: Steven P. Shurtz

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Address Line 4: Salt Lake City, UTAH 84111-2241

ATTORNEY DOCKET NUMBER:

8864-2

NAME OF SUBMITTER:

Steven P. Shurtz

Total Attachments: 12

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OFFICE OF THE SECRETARY OF STATE

JESSE WHITE • Secretary of State

JUNE 29, 2006

6480-245-3

CT CORPORATION SYSTEM
600 S 2ND ST
SPRINGFIELD IL 62704

RE ENCAP MERGER CO., INC.

DEAR SIR OR MADAM:

ENCLOSED YOU WILL FIND THE ARTICLES OF MERGER REGARDING THE ABOVE NAMED CORPORATION.

FEES IN THIS CONNECTION HAVE BEEN RECEIVED AND CREDITED.

THIS DOCUMENT MUST BE RECORDED IN THE OFFICES OF THE RECORDERS OF THE COUNTIES IN WHICH THE REGISTERED OFFICES OF THE MERGING CORPORATIONS ARE LOCATED. IN ORDER TO COMPLY WITH ARTICLE 6 OF THE COUNTIES CODE, AS AMENDED JANUARY 1, 1995, THE PAGES OF THIS DOCUMENT MUST BE SEPARATED BEFORE IT IS PRESENTED FOR RECORDING.

THE SURVIVING CORPORATION SHALL EXECUTE A REPORT FOLLOWING MERGER (FORMS ARE ENCLOSED) AND FILE SAME IN THIS OFFICE WITHIN SIXTY DAYS AFTER MERGER.

SINCERELY YOURS,

Jesse White

JESSE WHITE
SECRETARY OF STATE

DEPARTMENT OF BUSINESS SERVICES
CORPORATION DIVISION
TELEPHONE (217) 782-6961

JW:CD

FORM BCA 11.25 (rev. Dec. 2003)
**ARTICLES OF MERGER,
 CONSOLIDATION OR EXCHANGE**
 Business Corporation Act

Jesse White, Secretary of State
 Department of Business Services
 Springfield, IL 62756
 Telephone (217) 782-6861
 www.cyberdriveillinois.com

Remit payment in the form of a
 check or money order payable
 to the Secretary of State.

The filing fee is \$100, but if merger or
 consolidation involves more than 2
 corporations, \$50 for each additional
 corporation.

FILED

JUN 29 2006

JESSE WHITE
 SECRETARY OF STATE

File # 6480-245-3 Filing Fee: \$ 100.00 Approved: lt
 Submit in duplicate Type or Print clearly in black ink Do not write above this line

NOTE: Strike inapplicable words in items 1, 3 and 4.

1. Names of the corporations proposing to ~~consolidate~~ ^{merge} ~~exchange shares~~, and the state or country of their incorporation:

Name of Corporation	State or Country of Incorporation	Corporation File Number
<u>Encap Merger Co., Inc.</u>	<u>Illinois</u>	<u>D 6480-245-3</u>
<u>Encap Motor Corporation</u>	<u>California</u>	<u>NR</u>

2. The laws of the state or country under which each corporation is incorporated permits such merger, consolidation or exchange.

3. (a) Name of the ~~new~~ ^{surviving} corporation: Encap Merger Co., Inc.
~~to be formed~~

(b) It shall be governed by the laws of: Illinois

If not sufficient space to cover this point, add one or more sheets of this size.

4. Plan of ~~consolidation~~ ^{merger} ~~exchange~~ is as follows:

See Agreement and Plan of Merger, attached hereto as Exhibit A.

5. Plan of ~~consolidation~~ ^{merger} was approved, as to each corporation not organized in Illinois, in compliance with the laws of the state under which it is organized, and (b) as to each Illinois corporation, as follows:

(The following items are not applicable to mergers under § 11.30 — 90% owned subsidiary provisions. See Article 7.)

(Only "X" one box for each Illinois corporation)

By the shareholders, a resolution of the board of directors having been duly adopted and submitted to a vote at a meeting of shareholders. Not less than the minimum number of votes required by statute and by the articles of incorporation voted in favor of the action taken.

(§ 11.20)

By written consent of the shareholders having not less than the minimum number of votes required by statute and by the articles of incorporation. Shareholders who have not consented in writing have been given notice in accordance with § 7.10 (§ 11.20)

By written consent of ALL the shareholders entitled to vote on the action, in accordance with § 7.10 & § 11.20

Name of Corporation

Encap Merger Co., Inc.

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6. *(Not applicable if surviving, new or acquiring corporation is an Illinois corporation)*

It is agreed that, upon and after the issuance of a certificate of merger, consolidation or exchange by the Secretary of State of the State of Illinois:

- The surviving, new or acquiring corporation may be served with process in the State of Illinois in any proceeding for the enforcement of any obligation of any corporation organized under the laws of the State of Illinois which is a party to the merger, consolidation or exchange and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such corporation organized under the laws of the State of Illinois against the surviving, new or acquiring corporation.
- The Secretary of State of the State of Illinois shall be and hereby is irrevocably appointed as the agent of the surviving, new or acquiring corporation to accept service of process in any such proceedings, and
- The surviving, new, or acquiring corporation will promptly pay to the dissenting shareholders of any corporation organized under the laws of the State of Illinois which is a party to the merger, consolidation or exchange the amount, if any, to which they shall be entitled under the provisions of "The Business Corporation Act of 1983" of the State of Illinois with respect to the rights of dissenting shareholders.

7. (Complete this item if reporting a merger under § 11.30—90% owned subsidiary provisions.)

- a. The number of outstanding shares of each class of each merging subsidiary corporation and the number of such shares of each class owned immediately prior to the adoption of the plan of merger by the parent corporation, are:

Name of Corporation	Total Number of Shares Outstanding of Each Class	Number of Shares of Each Class Owned Immediately Prior to Merger by the Parent Corporation
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

- b. (Not applicable to 100% owned subsidiaries)

The date of mailing a copy of the plan of merger and notice of the right to dissent to the shareholders of each merging subsidiary corporation was _____

(Month & Day)

(Year)

Was written consent for the merger or written waiver of the 30-day period by the holders of all the outstanding shares of all subsidiary corporations received? ☐ Yes ☐ No

(If the answer is "No," the duplicate copies of the Articles of Merger may not be delivered to the Secretary of State until after 30 days following the mailing of a copy of the plan of merger and of the notice of the right to dissent to the shareholders of each merging subsidiary corporation.)

8. The undersigned corporations have caused these articles to be signed by their duly authorized officers, each of whom affirms, under penalties of perjury, that the facts stated herein are true. (All signatures must be in **BLACK INK**.)

Dated May 19th 2006
(Month & Day) (Year)

Encap Merger Co., Inc.
(Exact Name of Corporation)

✓ Griffith D. Neal
(Any authorized officer's signature)

Griffith D. Neal, President
(Type or Print Name and Title)

Dated May 19th 2006
(Month & Day) (Year)

Encap Motor Corporation
(Exact Name of Corporation)

✓ Griffith D. Neal
(Any authorized officer's signature)

Griffith D. Neal, Secretary
(Type or Print Name and Title)

Dated _____
(Month & Day) (Year)

(Exact Name of Corporation)

(Any authorized officer's signature)

(Type or Print Name and Title)

EXHIBIT A
TO
ARTICLES OF MERGER

AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER, dated as of May 19, 2006 (the "Merger Agreement"), is made by and between Encap Merger Co., Inc., an Illinois corporation ("Sub"), and Encap Motor Corporation, a California corporation ("EM").

WITNESSETH:

WHEREAS, Sub is a corporation duly organized and validly existing under and by virtue of the laws of the State of Illinois and is a wholly owned subsidiary of Encap Technologies, Inc., an Illinois corporation ("ET");

WHEREAS, ET has authorized capital stock consisting of:

10,000,000 shares of Common Stock, no par value per share (the "ET Common Stock"), 1,210 shares of which are issued and outstanding.

WHEREAS, EM is a corporation duly organized and validly existing under and by virtue of the laws of the State of California, having authorized capital stock consisting of:

A. 20,000,000 shares of Common Stock, \$0.001 par value per share (the "EM Common Stock"), 3,487,500 shares of which are issued and outstanding;

B. 3,650,000 shares of Preferred Stock, \$0.001 par value per share (the "EM Preferred Stock"), 1,200,000 of which are designated as Series A Preferred Stock (812,235 shares of which are issued and outstanding) and 2,450,000 of which are designated as Series B Preferred Stock (237,500 shares of which are issued and outstanding) (collectively, the "EM Preferred Stock" shall include the Series A Preferred Stock and the Series B Preferred Stock);

WHEREAS, the EM Common Stock will be exchanged for shares of ET Common Stock as provided for herein, the holders of EM Preferred Stock will be deemed to have converted their shares to EM Common Stock and will receive shares of common stock of ET, and the options outstanding for shares of EM Common Stock (the "EM Options") and the warrants, exercisable for shares of EM Common Stock and EM Preferred Stock (the "EM Warrants") will be exchanged for options and and warrants to purchase shares of ET Common Stock.

WHEREAS, the respective Boards of Directors of Sub, ET and EM deem it advisable that EM merge with and into Sub (the "Merger"), upon the terms and subject to the conditions set forth herein and in accordance with the laws of the States of Illinois and California, and that the outstanding shares of EM Common Stock and EM Preferred Stock and the outstanding EM Options and EM Warrants all be eliminated with the holders thereof being entitled to receive new securities, options and warrants of ET.

WHEREAS, the shareholders of Sub and EM have duly approved and adopted the provisions of this Merger Agreement as the Agreement of Merger required by the laws of the State of Illinois and as acceptable under the laws of the State of California.

NOW, THEREFORE, the parties hereto agree as follows:

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Section 1. Effect of Merger; Manner and Basis of Canceling and Exchanging Shares, Options and Warrants.

1.1 At the Effective Time (as hereinafter defined), EM shall be merged with and into Sub, the separate corporate existence of EM shall cease (except as may be continued by operation of law), and Sub shall continue as the surviving corporation (the "Surviving Corporation"), all with the effects provided by applicable law.

1.2 At the Effective Time, by virtue of the Merger and without any action (other than the filing of the Articles of Merger or similar documents with the Secretary of State of each of Illinois and California) by ET, their respective Board of Directors and shareholders or any other person:

The EM Common Stock, EM Preferred Stock (collectively, the "EM Stock"), EM Options and EM Warrants shall be cancelled and eliminated in their entirety, and the holders thereof as of immediately prior to the Merger shall therefore be entitled to receive the following consideration: (a) in exchange for each share of EM Stock, whether Common or Preferred, an equal number of shares of ET Common Stock; and (b) in exchange for EM Options and EM Warrants, an equal amount of options for the purchase of ET Common Stock or warrants in ET Common Stock, as the case may be.

All of the foregoing shares, options and warrants of ET to which holders of EM Common Stock, EM Preferred Stock, EM Options and EM Warrants shall be entitled following consummation of the Merger are collectively referred to herein as the "Merger Consideration." The Merger Consideration shall be issued to the holders of the EM Common Stock, EM Preferred Stock, EM Options and EM Warrants as hereby agreed to by all parties.

1.3 At and after the Effective Time, the Surviving Corporation shall possess all the rights, privileges, immunities and franchises, of both a public and private nature, and all property, whether real, personal and mixed, and shall be subject to all of the duties and liabilities, of EM; and all rights, privileges, immunities and franchises, of both a public and private nature, of EM shall be vested in the Surviving Corporation without any act or action; and title to any real estate, or any interest therein, vested in EM or ET shall not revert or be in any way impaired by reason of the Merger; and any claim existing or action or proceeding pending by or against EM may be prosecuted to judgment as if the Merger had not taken place or the Surviving Corporation may be substituted in its place; all with the effect as may be required by law.

1.4 Notwithstanding any provisions of this Agreement to the contrary, shares of EM Common or EM Preferred Stock which are issued and outstanding immediately prior to the Effective Time and which are held by a stockholder of EM who has not voted such shares in favor of, or consented to by written resolution, the Merger, shall have received a notice of his, her or its appraisal rights under California law, and who shall have delivered a written demand for appraisal of such shares in the manner provided for under California law and who, as of the Effective Time, shall not have effectively withdrawn or lost such right to appraisal ("Dissenting Shares") shall not be converted into a right to receive the Merger Consideration. The holders thereof shall be entitled only to such rights as are granted by Section 1300 et. seq. of the Cal. Corp. Code. Each holder of Dissenting Shares who becomes entitled to payment for such shares

pursuant to California law shall receive payment therefore from the Surviving Corporation in accordance with California law; provided, however, that (i) if such holder of Dissenting Shares shall have failed to establish such holder's entitlement to appraisal rights as provided under California law, (ii) if any such holder of Dissenting Shares shall have effectively withdrawn such holder's demand for appraisal of such shares or lost his right to appraisal and payment for his, her or its shares under California law, or (iii) if neither such holder of Dissenting Shares nor the Surviving Corporation shall have filed a complaint demanding a determination that the shares are Dissenting Shares and of the value of the Dissenting Shares within the time provided under California law, such holder shall forfeit the right to appraisal of such shares and each such share shall be treated as if such share had been converted as of the Effective Time into a right to receive the Merger Consideration without interest thereon from the Surviving Corporation as provided in this Section 1.

1.5 The name of the Surviving Corporation shall be "Encap Merger Co., Inc."

1.6 As soon as reasonably practicable after the Effective Time, Griffith D. Neal (the "Agent") shall mail to each holder of record (i) a certificate or certificates which represent the amount of outstanding shares of ET Common Stock, options or warrants to which the holder was entitled to receive in exchange for their EM Common Stock, EM Preferred Stocks and EM Options or EM Warrants (ii) a letter of transmittal which shall specify that the certificates, option agreements or warrants delivered shall only be effective and title thereto shall pass to the holder only upon delivery of the old certificates, option agreement or warrants for EM to the Agent and (iii) instructions for use in surrendering the certificates, option agreements or warrants in exchange for the Merger Consideration, as applicable. Upon surrender for cancellation to the Agent, together with such other documents as may reasonably be required by the Agent, the holder of such certificate, option agreement or warrant shall be entitled to the title and ownership for the certificates, option agreements or warrants sent from the Agent and the certificates, option agreements and warrants surrendered shall forthwith be cancelled. Until surrendered as contemplated, each certificate, option agreement or warrant for EM shall be deemed at any time after the Effective Time to represent only the right to receive upon such surrender that portion of the Merger Consideration to which the holder thereof has the right to receive pursuant to the provisions of this Section 1.

1.7 Neither Sub, ET nor EM shall be liable to any person in respect to any shares of EM Common Stock or EM Preferred Stock delivered to a public official pursuant to any applicable abandoned property, escheat or similar law. If any certificate or agreement or warrant shall not have been surrendered prior to the date on which any Merger Consideration, payable to the holder of the same, would otherwise escheat to or become the property of any governmental authority, any such Merger Consideration in respect of such Certificate shall, to the extent permitted by applicable law, become the property of the Surviving Corporation, free and clear of all claims or interest of any person previously entitled thereto. If any certificate or agreement or warrant shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the same to be lost, stolen or destroyed and, if required by the Surviving Corporation, the posting by such person of a bond in such reasonable amount as the Surviving Corporation may direct as indemnity against any claim that may be made against it with respect thereto, the Agent shall issue in exchange therefore the Merger Consideration due to such person pursuant to this Agreement.

Section 2. Effective Time.

2.1 Upon the fulfillment or waiver of the conditions specified herein, provided that this Merger Agreement has not been terminated and abandoned pursuant to the terms hereof, Sub and EM shall cause Articles of Merger to be executed, acknowledged and filed with the Secretary of State of the State of Illinois, all as provided for in accordance with Illinois law, and an originally executed counterpart shall be filed with the Secretary of State of the State of California (or a merger filing made on the appropriate California form), all as provided for in accordance with California law.

2.2 The Merger shall become effective at the time and date as provided by applicable law (the "Effective Time").

Section 3. Additional Agreements.

3.1 Each of the parties hereto shall (subject to any qualifications specified in this Section 3 and the conditions specified below) diligently use their respective commercially reasonable efforts to cause the Merger to be consummated and to be consummated at the earliest practicable date.

3.2 EM shall submit this Merger Agreement and the Merger to its stockholders for adoption and approval and shall use its best efforts to solicit from its stockholders votes in favor of such adoption and approval and shall take all other action necessary or helpful to secure a vote of its stockholders in favor of the Merger.

3.3 Prior to the Effective Time, all parties hereto shall use their best efforts to obtain the consent of all private third parties and governmental authorities necessary to consummation of the Merger.

Section 4. Certificate of Incorporation and By-Laws; Board of Directors.

4.1 From and after the Effective Time, the Articles of Incorporation and By-laws of Sub as in effect at the Effective Time shall govern the Surviving Corporation and constitute the Articles of Incorporation and By-Laws, respectively, of the Surviving Corporation.

4.2 The members of the Board of Directors of EM holding office immediately prior to the Effective Time shall be the members of the Board of Directors of ET and shall hold such offices until the expiration of their current terms, or until their earlier death, resignation or removal. The officers of EM holding office immediately prior to the Effective Time shall be the officers (holding the same positions as they held with EM immediately prior to the Effective Time) of ET and shall hold such offices until the expiration of their current terms, or until their earlier death, resignation or removal.

Section 5. Conditions.

5.1 The respective obligations of Sub and EM to consummate the Merger under this Merger Agreement is subject to the fulfillment of the following conditions:

(a) This Merger Agreement and the Merger shall have been approved and adopted by the stockholders of EM and the Boards of Directors of Sub, ET and EM (the "Merger Approval") and the Merger Approval shall not in any manner have been rescinded or revoked;

(b) There shall have been no law, statute, rule or regulation, domestic or foreign, enacted or promulgated which would make consummation of the Merger illegal and no such law, statute, rule or regulation shall be in effect;

(c) No preliminary or permanent injunction or other order by any federal or state court of competent jurisdiction that makes illegal or otherwise prevents the consummation of the Merger shall be in effect;

(d) Any third party consents which are required in order to avoid a breach, violation, conflict or default under any agreement, contract, statute, rule or regulation shall have been obtained; and

(e) EM shall have delivered (in accordance with the requirements of California law) (i) to each stockholder of EM copies of the Merger Agreement and such other disclosure documentation as prepared for the EM stockholders and (ii) to each EM stockholder who did not vote in favor of or consent to the Merger, within 10 days of approval of the Merger, a notice regarding their appraisal rights under California law.

Section 6. Amendment and Termination.

6.1 Sub and EM, by mutual consent of their respective Boards of Directors, may amend, modify or supplement this Merger Agreement in such manner as may be agreed upon by them in writing.

6.2 This Merger Agreement may be terminated and the Merger may be abandoned for any reason by a resolution adopted by the mutual consent of Sub and EM at any time prior to the filing of the Articles of Merger with the Illinois Secretary of State and/or the California Secretary of State. In the event of the termination of this Merger Agreement as provided herein, this Merger Agreement shall forthwith become void and there shall be no liability hereunder on the part of Sub, ET, EM or their respective officers and directors.

Section 7. Service of Process.

7.1 The Surviving Corporation hereby agrees that it may be served with process in the State of Illinois in any proceeding for the enforcement of any obligation of Sub or EM and hereby irrevocably appoints the Secretary of State of the State of Illinois as its agent to accept service of process in any such proceeding.

7.2 A copy of any service of process received in connection with the above should be mailed to:

Encap Merger Co., Inc.
666 S. Vermont Street
Palatine, Illinois 60067

Attn: Griffith D. Neal

Section 8. Miscellaneous.

8.1 This Merger Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument.

8.2 The internal law, not the law of conflicts, of the State of Illinois will govern all questions concerning the construction, validity and interpretation of this Merger Agreement.

8.3 This Merger Agreement is not intended to confer upon any person (other than the parties hereto and their respective successors and assigns) any rights or remedies hereunder or any reason hereof.

* * * * *

IN WITNESS WHEREOF, the parties hereto have caused this Merger Agreement to be signed by their respective officers thereunto duly authorized, as of the day and year first written above.

ENCAP MERGER CO., INC.,
AN ILLINOIS CORPORATION

By: *Griffith D. Neal*
Name: Griffith D. Neal
Its: President

ENCAP MOTOR CORPORATION,
A CALIFORNIA CORPORATION

By: *Griffith D. Neal*
Name: Griffith D. Neal
Its: C.E.O. & Secretary