

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
EFFECTIVE DATE:	09/18/2007
CONVEYING PARTY DATA	
Name	
Execution Date	
Suresh C. Gupta	09/18/2007
Anurag Chandra	09/18/2007
RECEIVING PARTY DATA	
Name:	Perfect Electronic Power, Inc.
Street Address:	2683 Via De La Valle
Internal Address:	Suite G121
City:	Del Mar
State/Country:	CALIFORNIA
Postal Code:	92014
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	7212421
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<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
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ATTORNEY DOCKET NUMBER:	WDCTE.70204
NAME OF SUBMITTER:	Michael J. Moffatt

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Total Attachments: 8

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RESTATED ASSIGNMENT AGREEMENT

THIS RESTATED ASSIGNMENT AGREEMENT (this "Agreement") is entered into as of September 16, 2007 (the "Effective Date"), among PERFECT ELECTRONIC POWER, INC., a California corporation ("PEP"), having a place of business at 2683 Via De La Valle, Suite G121, Del Mar, California 92014, SURESH C. GUPTA, an individual ("Gupta"), having an address at 3351 Rossmoor Way, Los Alamitos, California 90270, and ANURAG CHANDRA an individual ("Chandra"), having an address at 3351 Rossmoor Way, Los Alamitos, CA 90270, with respect to the following facts:

WHEREAS, Gupta and Chandra (collectively, the "Assignors") and PEP are parties to that certain Assignment Agreement dated as of March, 2005 (the "Original Assignment Agreement"); and

WHEREAS, the parties now desire to amend the Original Assignment Agreement in certain respects, and for convenience to restate the Original Assignment Agreement in its entirety, on the terms and conditions set forth below.

NOW THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth below, the parties hereby amend and restate the Original Assignment Agreement, and otherwise agree, as follows:

1. Definitions.

1.1 "Affiliate" shall mean, with respect to any Person, any other Person which directly or indirectly controls, is controlled by, or is under common control with, such Person. A Person shall be regarded as in control of another Person if it owns, or directly or indirectly controls, more than fifty percent (50%) of the voting stock or other ownership interest of the other Person, or if it directly or indirectly possesses the power to direct or cause the direction of the management and policies of the other Person by any means whatsoever.

1.2 "Change in Control Event" shall mean, with respect to a Production Product, either (a) any sale, transfer, license or other disposition (other than to an Affiliate) of all or substantially all of the business of PEP and its Affiliates relating to such Production Product, (b) any merger, consolidation, reorganization or sale of the voting securities of an Affiliate of PEP that holds the rights to such Production Product, or any other transaction or series of transactions, resulting in the holders of the outstanding voting securities of such Affiliate immediately prior to giving effect to such transaction (or series of transactions) beneficially owning less than fifty percent (50%) of the outstanding voting securities of such Affiliate (or the surviving entity, if such Affiliate is not the surviving entity) immediately after giving effect to such transaction (or series of transactions), or (c) any other transaction (or series of transactions) resulting in the change in the power to control the management and policies of an Affiliate of PEP that holds the rights to such Production Product (or the surviving entity, if such Affiliate is not the surviving entity).

1.3 "Combination Product" shall have the meaning as set forth in Section 4.3.

1.4 "Confidential Information" shall mean (a) any technical and non-technical information related to the Technology, the Production Products, the business, the current, future and proposed products and services, and the research, development, design details and specifications, financial information, procurement requirements, engineering and manufacturing information, customer lists, business forecasts, sales information and marketing plans, in each case of PEP or its Affiliates, and (b) any information that may be made known to Gupta or Chandra that PEP or its Affiliate has received from others and that PEP or such Affiliate is obligated to treat as confidential or proprietary.

1.5 "Licensee" shall mean any third party to whom PEP grants a (sub)license under the Patent Rights.

1.6 "Net Sales Price" shall mean, with respect to any Production Product, the sales price received in consideration for the sale of such Production Product to a customer (other than an Affiliate), less the following deductions, to the extent they are incurred by the seller: (a) credits, allowances, discounts and rebates to, and chargebacks from the account of such customers for damaged, rejected or returned Production Product; (b) actual freight and insurance costs incurred in transporting such Production Product; (c) cash, quantity and trade discounts and other price reductions given to such customers for such Production Product; (d) sales, use, value-added and other direct taxes incurred in connection with the sale of such Production Product to such customers; and (e) customs duties, surcharges and other governmental charges incurred in connection with the exportation or importation of such Production Product.

1.7 "Patent Rights" shall mean (a) the patents and patent applications listed on Exhibit A hereto, (b) all patents and patent applications in any country of the world to the extent they claim or cover the Technology, (c) all divisions, continuations, continuations-in-part, that claim priority to, or common priority with, the patent applications described in clause (a) or (b) above or the patent applications that resulted in the patents described in clause (a) or (b) above, and (d) all patents that have issued or, in the future issue from any of the foregoing patent applications, including utility, model and design patents and certificates of invention, together with any reissues, renewals, extensions or additions thereto.

1.8 "PEP Property" shall have the meaning as set forth in Section 5.3.

1.9 "Person" shall mean an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, pool, syndicate, sole proprietorship, unincorporated organization, governmental authority or any other form of entity not specifically listed herein.

1.10 "Production Product" shall mean any product that (a) if made, used, sold, offered for sale or imported would infringe one or more Valid Claims, (b) is made by a contract manufacturer for PEP, or its Affiliate, after all quality assurance and testing on the beta and field testing units have been successfully completed to the satisfaction of PEP or its Affiliate (as applicable), and (c) PEP or its Affiliate has determined to be ready for commercial production. Beta and field testing units shall not constitute Production Product.

1.11 "Royalty Term" shall mean the term of five (5) years after the Effective Date.



1.12 "Technology" shall mean all inventions, discoveries and other technologies relating to cross-platform, space state vector topology, components and methods, in each case that are conceived, developed or reduced to practice by either or both of the Assignors, either alone or with third parties, prior to the Effective Date or at any time hereafter (other than any inventions, discoveries or other technologies that the Assignors are required to assign to PEP or one of its Affiliates under a separate written agreement).

1.13 "Valid Claim" shall mean either (a) a claim of an issued and unexpired patent included within the Patent Rights, which has not been held permanently revoked, unenforceable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been admitted to be invalid or unenforceable through reissue or disclaimer or otherwise or (b) a claim of a pending patent application included within the Patent Rights.

2. Assignment.

2.1 Assignment. The Assignors have assigned, and hereby assign, to PEP all right, title and interest throughout the world in and to the Technology, the Patent Rights and all other intellectual property rights therein and thereto.

2.2 Stand-by License. To the extent any of the right, title and interest in and to the Technology, the Patent Rights and all other intellectual property rights therein and thereto cannot be assigned by the Assignors to PEP, the Assignors hereby grant to PEP an exclusive, royalty-free, transferable, irrevocable, worldwide license (with rights to sublicense through multiple tiers of sublicensees) to practice such non-assignable right, title and interest. To the extent any of the right, title and interest in and to the Technology, the Patent Rights and all other intellectual property rights therein and thereto can neither be assigned, nor licensed by the Assignors to PEP, the Assignors hereby irrevocably waive and agree never to assert such non-assignable and non-licensable right, title and interest against PEP or any of PEP's successors in interest.

2.3 Further Assurances. The Assignors shall perform, during and after the term of this Agreement, all acts that PEP deems necessary or desirable to permit and assist PEP, at its expense, in obtaining, perfecting and enforcing the full right, title and interest in and to the Technology, the Patent Rights and all other intellectual property rights therein and thereto as provided to PEP under this Agreement. If PEP is unable for any reason to secure the Assignors' signatures to any document required to file, prosecute, register or memorialize the assignment, issuance and enforcement of any rights under the Technology, the Patent Rights and all other intellectual property rights therein and thereto as provided under this Agreement, the Assignors hereby irrevocably designate and appoint PEP and PEP's duly authorized officers and agents as the Assignors' agents and attorneys-in-fact to act for and on the Assignors' behalf and instead of the Assignors to take all lawfully permitted acts to further the filing, prosecution, registration, memorialization of assignment, issuance and enforcement of rights under the Technology, the Patent Rights and all other intellectual property rights therein and thereto, all with the same legal force and effect as if executed by the Assignors. The foregoing is deemed a power coupled with an interest and is irrevocable.

3. Representations and Warranties. The Assignors hereby represent and warrant to PEP as follows:

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3.1 Power and Authority. The Assignors have the power and authority and the legal right to enter into this Agreement and to perform their obligations hereunder. This Agreement has been duly executed by the Assignors, and constitutes a legal, valid, binding obligation, enforceable against the Assignors in accordance with its terms. All necessary consents, approvals and authorizations of all governmental authorities and other Persons required to be obtained by the Assignors in connection with this Agreement have been obtained.

3.2 No Conflict. The execution and delivery of this Agreement and the performance of the Assignors' obligations hereunder (a) do not conflict with or violate any requirement of applicable laws or regulations, and (b) do not conflict with, or constitute a default under, any contractual obligation.

3.3 Ownership and Right of Assignment. Immediately prior to the assignment to PEP, the Assignors were the sole and exclusive owners of the Technology, the Patent Rights and all other intellectual property rights therein and thereto, and have not granted to any third party any license or other interest in the Technology, the Patent Rights and all other intellectual property rights therein and thereto, and the Technology, the Patent Rights and all other intellectual property rights therein and thereto were free and clear of all liens, encumbrances and adverse claims.

4. Consideration.

4.1 Past Payments. In consideration for the assignment under Section 2, (a) prior to the Effective Date, PEP paid to Gupta an assignment and technology transfer payment of \$30,000.00, and (b) between March 1, 2005 and March 1, 2007, PEP paid to Gupta the additional amount of \$203,968.67.

4.2 Royalty. During the Royalty Term, PEP or its Affiliate (as applicable) shall pay to Gupta a royalty equal to three percent (3%) of Net Sales by PEP, any Licensee or their respective Affiliates to any customers.

4.3 Combination Products. If a Production Product is incorporated as a component into another product (each a "Combination Product") that also contains one or more other components that are not themselves Production Products, or if such Production Product is sold together with any services, then for purposes of this Agreement, Net Sales with respect to such Combination Product shall be calculated as follows:

(a) if PEP, any Licensee or their respective Affiliates sell such Production Product component of a Combination Product on a stand-alone basis in arms-length sales, then the Net Sales with respect to such Combination Product shall equal the sum of the average net selling price at which PEP, any Licensee or their respective Affiliates sold such Production Product component on a stand-alone basis in arms-length sales in the immediately preceding calendar quarter; and

(b) for each other Combination Product, then Net Sales with respect to such Combination Product shall equal the sum of the value of each Production Product component of such Combination Product as if sold on a stand-alone basis, as reasonably determined by PEP.

4.4 Reports. Within thirty (30) days following the end of each calendar quarter, PEP or its Affiliate (as applicable) shall furnish to Gupta a quarterly written report showing in reasonably specific detail the calculation of the royalty and commission payable for such calendar quarter.

4.5 Payment Terms. The royalty and commission shown to have accrued by each report provided for under Section 4.4 above shall be due on the date such report is due.

5. Confidentiality.

5.1 Nondisclosure and Nonuse Obligations. Except as permitted in this Section 5, Gupta shall not use, disseminate or in any way disclose the Confidential Information. Gupta may use the Confidential Information solely to perform his obligations under this Agreement. Gupta shall treat all Confidential Information with the same degree of care as he accords to his own confidential information, but in no case shall Gupta use less than reasonable care. Gupta shall not disclose any Confidential Information to any third parties.

5.2 Exclusions from Nondisclosure and Nonuse Obligations. A disclosure of any Confidential Information by Gupta (a) in response to a valid order by a court or other governmental body or (b) as otherwise required by law shall not be considered to be a breach of this Agreement or a waiver of confidentiality for other purposes; provided, however, that Gupta shall provide prompt prior written notice thereof to PEP to enable PEP to seek a protective order or otherwise prevent such disclosure.

5.3 Ownership and Return of Confidential Information and PEP Property. All Confidential Information and any materials furnished to Gupta by PEP, whether delivered to Gupta by PEP or made by Gupta in the performance of services under this Agreement and whether or not they contain or disclose Confidential Information (collectively, the "PEP Property"), are the sole and exclusive property of PEP or PEP's suppliers or customers. Within five (5) days after any request by PEP, Gupta shall destroy or deliver to PEP, at PEP's option, all PEP Property and all materials in Gupta's possession or control that contain or disclose any Confidential Information.

6. Term and Termination.

6.1 Term. The term of this Agreement shall commence on the Effective Date and, unless earlier terminated as set forth herein, shall continue until the expiration of PEP's payment obligations under Section 4.

6.2 Termination. Either party may terminate this Agreement upon or after any material breach of this Agreement by the other party if the other party has not cured such breach within thirty (30) days after written notice thereof from the nonbreaching party.

6.3 Effect of Expiration or Termination. Upon expiration or termination of this Agreement, the rights and obligations of the parties under this Agreement shall terminate, except that the rights and obligations of the parties under Sections 2, 5, 6.3 and 7 shall survive such expiration or termination.

7. Miscellaneous.

7.1 Successors and Assigns. PEP may subcontract, delegate or otherwise assign its obligations under this Agreement in whole or in part without the Assignors' prior written consent. Gupta may not subcontract, delegate or otherwise assign his obligations under this Agreement without PEP's prior written consent. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns.

7.2 Independent Contractors. Each party hereby acknowledges that the parties shall be independent contractors and that the relationship between the parties shall not constitute a partnership, joint venture or agency. Neither party shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other party, without the prior written consent of the other party to do so.

112

7.3 Injunctive Relief. Gupta's obligations under this Agreement are of unique character that gives them particular value; Gupta's breach of any of such obligations will result in irreparable and continuing damage to PEP for which money damages are insufficient, and PEP shall be entitled to injunctive relief and/or a decree for specific performance, and such other relief as may be proper (including money damages if appropriate).

7.4 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to the conflicts of law principles thereof.

7.5 Waiver: Modification. If PEP waives any term, provision or Gupta's breach of this Agreement, such waiver shall not be effective unless it is in writing and signed by PEP. No waiver by PEP of Gupta's breach of this Agreement shall constitute a waiver of any other or subsequent breach by Gupta. This Agreement may be modified only by mutual written agreement of authorized representatives of the parties.

7.6 Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to this subject matter and supersedes all prior or contemporaneous representations, agreements and understandings concerning such subject matter, written or oral.

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

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

PERFECT ELECTRIC POWER, INC.

By: _____

Name: _____

Title: _____

Date: _____

SURESH C. GUPTA Date

 9/13/07
ANURAG CHANDRA Date

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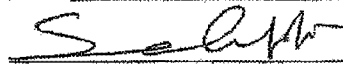
PERFECT ELECTRIC POWER, INC.

By: _____

Name: _____

Title: _____

Date: _____

 9/18/07
SURESH C. GUPTA Date

ANURAG CHANDRA Date

EXHIBIT A

Patent Rights



United States patent application identified in the file of Fulwider Patton Lee & Utecht Docket
No. WDC TE.70204.

sd-363703 v2

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