

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
Hyperform Technologies, Inc.	08/03/2001
RECEIVING PARTY DATA	
Name:	Hi-Tech Welding Services, Inc.
Street Address:	1990 Friendship Drive
City:	El Cajon
State/Country:	CALIFORNIA
Postal Code:	92020
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	5823034
CORRESPONDENCE DATA	
Fax Number:	(619)235-0398
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	619-238-1900
Email:	psk@procopio.com
Correspondent Name:	Procopio, Cory, Hagreaves & Savitch LLP
Address Line 1:	530 "B" Street, Suite 2100
Address Line 4:	San Diego, CALIFORNIA 92101
ATTORNEY DOCKET NUMBER:	113888-004UTL
NAME OF SUBMITTER:	Katherine Proctor

Total Attachments: 9
 source=hitech_assign#page1.tif
 source=hitech_assign#page2.tif
 source=hitech_assign#page3.tif
 source=hitech_assign#page4.tif
 source=hitech_assign#page5.tif

CH \$40.00 5823034

source=hitech_assign#page6.tif
source=hitech_assign#page7.tif
source=hitech_assign#page8.tif
source=hitech_assign#page9.tif

SPF INVENTION PURCHASE AND EMPLOYMENT AGREEMENT

THIS INVENTION PURCHASE AND EMPLOYMENT AGREEMENT (hereinafter Agreement) is made this 3rd day of August 2001, by and between Donald O. Nelepovitz (hereinafter "Nelepovitz") and HyperForm Technologies, Inc. a California corporation, (hereinafter "HyperForm") and Hi-Tech Welding Services, Inc., a California corporation, (hereinafter "Hi-Tech"), is made with regard to the following facts:

RECITALS

A. Donald O. Nelepovitz is the inventor of a SuperPlastic Metalforming Device (SPF invention) that uses a die that obviates the need for external bands or rings. The technology is particularly advantages for use in forming planar parts and cylindrical shapes. Letters of Patent have been issued to Nelepovitz for his device on October 20, 1998, by the United States Patent Office, Patent No. 5,823,034. Nelepovitz has assigned the Patent to HyperForm. The SPF device is unique in the United States in terms of its technology, size, and specifications.

B. Nelepovitz has the technical knowledge and expertise in the use, operation and maintenance of the SPF device. Nelepovitz can provide Hi-Tech and its personnel with valuable technical knowledge and training in the use of the SPF device to produce plastic metal products for commercial applications.

C. Hi-Tech is desirous of purchasing the SPF device and Letters of Patent from Nelepovitz and HyperForm. And Nelepovitz and HyperForm are desirous of selling the SPF device and patent rights to Hi-Tech Welding System, pursuant to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed as follows

1. Incorporation. The foregoing recitals are contractual in nature and incorporated
2. Sale of SPF Invention and Assignment of SPF Patent. Nelepovitz and HyperForm hereby sell, assign, transfer and convey to Hi-Tech all of their entire rights, title, and interest in and to the SuperPlastic Metal Forming with Self-Contained Die invention, together with its Letters of Patent, United States Patent, Number 5,823,034, dated October 20, 1998, including any extensions or renewals thereof, within the United States and its territorial possessions now owned or which may be hereafter acquired by the United States of America, and in and to said invention in foreign countries and in and to any Letters Patent that may be granted therefore, all said rights to be held and enjoyed by Hi-Tech for its own use, and for the use of its successors and assigns, to the full term for which Letters of Patent may be granted pursuant to the terms and conditions herein set forth.

W.A./DN

3. Purchase Price for the SPF Patent. The total consideration for the purchase of the SPF invention and assignment of the SPF Patent, including any extensions and/or renewals thereof, shall be the sum of One-Hundred Thousand Dollars (\$ 100,000.00) payable as follows:

3.1 Twenty-five Thousand Dollars (\$25,000.00) due upon Stadco's payment to Hi-Tech of the installment due upon the General Electric 9-pass bead-on-plate specification P8TF- 10 certification on the Large Sciaky Electron Beam Welding Machine, Model VX-362x108x132, Serial No. 9637 sold to Stadco by Hi-Tech or ninety days from the date the parties execute this agreement, whichever event is the first to occur.

3.2 Twenty-five Thousand Dollars (\$25,000.00) due within 90 days of Hi-Tech's receipt of the amount due on Hi-Tech's invoice to Boeing, Invoice No. 7736 dated June 19, 2001, for current in-house project for Boeing's Dragonfly rotorcraft, for which Hi-Tech has a contract to supply mechanical assemblies .

3.3 The first Fifty Thousand Dollars (\$50,000.00) due upon Stadco's payment to Hi-Tech of the final progress payment on its purchase of the Large Sciaky Electron Beam Welding Machine, Model VX-3 62x108x132, Serial No. 9637, from Hi-Tech, or no more than 120 days from the date this payment becomes due to Hi-Tech from Stadco if payment has not been received.

4. Representations and Warranties by Nelepovitz and HyperForm: Nelepovitz and HyperForm represent and warrant that:

4.1. Nelepovitz and HyperForm warrant that they have and shall convey good title to the SPF Patent free of any and all license agreements, liens, encumbrances and/or any security interests.

4.2. Nelepovitz and HyperForm have the legal power, right and authority to enter into this Agreement and to consummate the transactions contemplated hereby.

4.3. All requisite corporate action has been taken by HyperForm in connection with the approval of this Agreement, and the consummation of the SPF Patent assignment contemplated hereby and that no consent of any partner, shareholder, creditor, investor, judicial or administrative body, or other party is required.

4.4. The individuals executing this Agreement on behalf of HyperForm and the officers of HyperForm have the legal power, right and actual authority to bind HyperForm to the terms and conditions hereof.

4.5. This Agreement is and shall be valid, legally binding obligations of and enforceable against HyperForm in accordance with its terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principals affecting or limiting the rights of contracting parties generally.

4.6. The information contained in the Recitals is true and correct.

4.7. Except for the assignment of the SPF Patent by Nelepovitz to HyperForm Technologies, Inc., there have been no other assignments, transfers, conveyance, and/or hypothecations of the SPF Patent.

4.8. There are no pending, threatened or contemplated actions, suits, arbitrations, claims or proceedings, at law or in equity, affecting the SPF Patent or in which HyperForm and/or Nelepovitz is, or will be, a party by reason of Nelepovitz or HyperForm's ownership of

W.A. / [Signature]

the SPF Patent, including, but not limited to, judicial, municipal or administrative proceedings. Nelepovitz and HyperForm agree to defend and hold Hi-Tech free and harmless from any and all actions, suits, arbitrations, claims or proceedings, at law or in equity, relating to the SPF invention and/or its Letters Patent on claims arising prior to the date of this agreement.

4.9. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or threatened against Nelepovitz and/or HyperForm nor are any of such proceedings contemplated by Nelepovitz and/or HyperForm.

4.10. Nelepovitz and HyperForm warrant and represent that there are no known violations of Governmental Regulations relating to the SPF Patent and that the sale of the SPF Patent technology to Hi-Tech will not knowingly violate any Governmental Regulations and will include all rights necessary to permit continued use of the SPF Patent and technology in compliance with all Governmental Regulations.

4.11. Nelepovitz and HyperForm warrant and represent that they have not previously licensed the use of the SPF Patent or technology to any third person or entity not disclosed herein.

4.12. Nelepovitz and HyperForm warrant and represent that the SPF Patent is valid at the time the assignment contemplated by this agreement and it is believed that the SPF invention does not infringe prior patents.

4.13. Nelepovitz and HyperForm warrant and represent that they will, without further consideration therefore, at the request of Hi-Tech, its successors and assigns, do all lawful and just acts, including the execution and acknowledgment of instruments, that may be or become necessary for obtaining, sustaining, or reissuing United States Letters Patent or foreign Letters Patent for the SPF invention, and for maintaining and perfecting the assignee's right to said invention and Letters Patent, particularly in cases of interference and litigation.

5. Representations and Warranties by Hi-Tech: Hi-Tech represents and warrants that:

5.1 Hi-Tech has the legal power, right and authority to enter into this Agreement and to consummate the transactions contemplated hereby.

5.2 All requisite corporate action has been taken by Hi-Tech in connection with the entering into this Agreement, and the consummation of the transactions contemplated hereby. No consent of any partner, shareholder, creditor, investor, judicial or administrative body, or other party is required.

5.3 The individuals executing this Agreement on behalf of Hi-Tech and the officers of Hi-Tech have the legal power, right and actual authority to bind Hi-Tech to the terms and conditions hereof.

5.4 This Agreement is and shall be valid, legally binding obligations of and enforceable against Hi-Tech in accordance with its terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principals affecting or limiting the rights of contracting parties generally.

5.5 No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or threatened against Hi-Tech, nor are any of such proceedings contemplated by Hi-Tech.

W.A. / [Signature]

6. Nelepovitz Employment Agreement: Hi-Tech agrees to employ Nelepovitz to provide technical assistance to Hi-Tech in connection with the use and marketing of the SPF invention and its related products, Nelepovitz accepts and agrees to such hiring, engagement, and employment subject to the supervision and pursuant to the orders, advice, and directions of HiTech, on the following terms and conditions:

6.1. Manner of Performance of Employee's Duties: Nelepovitz agrees to faithfully, industriously, and to the best of his ability, experience, and talent, to perform all of the duties that may be required of and from him pursuant to the express and implicit terms of this Agreement, to the reasonable satisfaction of Hi-Tech. These duties shall be rendered at Hi-Tech's offices located at 1990 Friendship Drive, El Cajon, California, or at another place or places as Hi-Tech shall in good faith require, or as the interests, needs, business, and opportunities of Hi-Tech shall require or make advisable.

6.2. Duration of Employment: This employment agreement will be effective commencing on the execution of this Agreement and continuing thereafter for a period of twelve consecutive months at which time this Agreement will terminate. Employment for Nelepovitz will continue after this twelve month period under the conditions stated in Exhibit "1", Incentive Stock Option Agreement.

6.3. Payment and Reimbursement: In consideration for Nelepovitz providing training to Hi-Tech personnel in the development, use, operation and maintenance of the SPF invention and related technology Hi-Tech agrees to pay Nelepovitz as follows:

6.3.1. Annual Salary: Hi-Tech will pay Nelepovitz an annual salary of One Hundred-Eight Thousand Dollars (\$108,000.00) per year, payable in monthly installments of Nine Thousand Dollars (\$9,000.00) per month.

6.3.2. Incentive Stock Option: In further consideration for Nelepovitz's employment, Hi-Tech grants Nelepovitz the right, privilege and option to purchase Nineteen (19) shares of the corporation's voting common stock at a purchase price of Eight Thousand Dollars (\$8,000.00) per share, in the manner and subject to the terms and conditions set forth in the Incentive Stock Option Agreement of Hi-Tech Welding Services, Inc. attached hereto as Exhibit "1" and made a part hereof by reference.

6.3.3. Reimbursement For Business Related Expenses: In addition to the foregoing, Hi-Tech agrees to reimburse Nelepovitz for necessary, customary, and usual expenses incurred by Nelepovitz while traveling for and on behalf of Hi-Tech pursuant to Hi-Tech's directions.

7. Confidential Information: It is contemplated that Nelepovitz in the performance of his duties will come into possession of Confidential Information regarding the business of Hi-Tech. As used herein, the term Confidential Information shall include, but not be limited to all information, data and knowledge (whether in the form of documents or in any other form, nature or description) relating, directly or indirectly, to designs, design specifications, drawings, technology, manufacturing techniques, production techniques, procedures and uses of technology, marketing strategies, customer lists, customer information, and all other documents or other information, in any form, relating to the manufacture, production, or sale of goods or services, where such information is provided in writing, orally or through visual means or which

W.A. / DN

Nelepovitz learns or obtains orally, through observation or through analysis of such information, data or knowledge, or acquires from any third party in connection with his performance hereunder. It is specifically agreed that all Confidential Information which shall or has come into the possession, custody or control of Nelepovitz about Hi-Tech shall be and remain the sole property of Hi-Tech. In express consideration of the parties entering into this Agreement, Nelepovitz on behalf of himself, his affiliates, associates and subsidiaries agrees as follows:

7.1. Nelepovitz shall not use, divulge, disclose or communicate to any person, firm, corporation or other entity, in any fashion, form or manner whatsoever, directly or

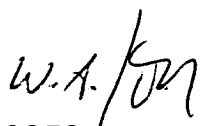
indirectly, any Confidential Information about Hi-Tech, including, but not limited to the use and development of the SPF invention purchased by Hi-Tech from Nelepovitz and HyperForm.

7.2. Nelepovitz shall restrict his use of Confidential Information about Hi-Tech and the SPF invention to purposes commensurate with the business relationship between the parties, restrict disclosures of such information to only those employees or subcontractors who have a need-to-know, and to bind such employees and subcontractors in writing to the extent the parties are bound hereunder.

7.3 The foregoing Confidential Information terms are important, material, and confidential trade secrets that affect the successful conduct of the business of Hi-Tech, its goodwill and the value of its shares of capital stock; and any breach of any terms of this Agreement related to Confidential Information shall constitute a material breach of this Agreement.

7.4 Upon demand, Nelepovitz shall return to Hi-Tech all originals and copies of files, books, notebooks, records, documents, correspondence, memoranda, reports constituting Confidential Information of Hi-Tech.

8. Ownership of Inventions and Patents Arising During Employment: Nelepovitz's interest in any and all inventions or improvements made and/or conceived of during his employment at Hi-Tech, either individually or jointly with others, shall be the exclusive property of Hi-Tech, its successors, assignees or nominees. Nelepovitz agrees to make full and prompt disclosure in writing to an officer or official of Hi-Tech, or to anyone designated for that purpose by the Hi-Tech, of all inventions or improvements made or conceived by Nelepovitz during the term of his employment. At the request and the expense of Hi-Tech, and without further compensation to Nelepovitz, Nelepovitz agrees to do all lawful acts and execute and acknowledge any and all papers necessary and proper for the applying for and securing of any and all letters patent in the United States of America and foreign countries for any and all of the inventions and improvements made and/or conceived of during his employment at Hi-Tech, either individually or jointly with others, and for vesting in the name of Hi-Tech the entire right, title and interest thereto. Excepted from this Agreement are only those inventions and/or improvements made by Nelepovitz before the commencement of his employment by Hi-Tech that are embodied in a United States Letters Patent or an application or United States Letters Patent filed prior to the commencement of any employment; or in the possession of a former employer who owns the invention; or set forth in the attachment hereto.



9. Ownership of Inventions and Patents Not Associated With Employment: It is the policy of Hi-Tech to release to the inventors those inventions or improvements which do not include any subject matter of interest to Hi-Tech, and such release of any of the inventions and/or improvements will be considered by Hi-Tech when initiated by a written request made to HiTech, disclosing the specific invention and/or improvement requested to be released, and stating that the invention and/or improvement is not believed to relate to subject matter of interest to HiTech. Hi-Tech shall have the sole right to determine whether or not any such particular invention and/or improvement includes subject matter of interest to Hi-Tech.

10. Option To Terminate - Permanent Disability: Notwithstanding anything in this Agreement to the contrary, Hi-Tech is given the option to terminate the employment portion of this Agreement in the event that Employee shall become permanently disabled, as the term permanently disabled is fixed and defined in The "Restrictive Stock Agreement", Section XV, dated October 16, 1998. This option shall be exercised by Hi-Tech by giving notice to Nelepovitz by registered mail, addressed to Employee at: 2375 Ridgeway Row, La Jolla, California, 92037, or at such other address as Employee shall designate in writing, of its intention to terminate the employment portions of this Agreement effective on the last day of the month during which notice is mailed.

11. Discharge for Cause: Hi-Tech may discharge Nelepovitz for incompetence, intoxication, drug addiction, insubordination, and any violation of any rule or regulation that may be established from time to time for the conduct of the corporation's business, for any failure of Nelepovitz to perform any agreement, duty or obligation of his under the terms and conditions of this Agreement. If Hi-Tech discharges Nelepovitz pursuant to the provisions of this section, Hi-Tech shall only be liable to pay to Nelepovitz, the pro-rated amount of his monthly salary determined by the number of days in the month, divided by the number of days Nelepovitz worked, prior to his discharge for cause.

12. Termination of Employment - Discontinuance of Business: Anything in this Agreement contained to the contrary notwithstanding, in the event that Hi-Tech shall discontinue operating its welding services business, then this Agreement shall cease and terminate as of the last day of the month in which Hi-Tech ceases its operations and completes its work under contract.

13. Devotion by Employee of Full Time to Business: Nelepovitz shall devote his full time, attention, knowledge, experience, and skill exclusively to Hi-Tech and no other employer to carry out his duties and responsibilities to the business and interest of Hi-Tech during the term of this Agreement. Upon the transfer of patent and technology rights to Hi-Tech from HyperForm, Nelepovitz' support and activities in HyperForm will be reduced to a minimum. It is acknowledged that there may be some tasks necessary to support HyperForm, these tasks will be conducted outside normal working hours as much as possible, and will be done so as to not impact work duties at Hi-Tech.

W.A. / 8/87

14. Compliance with Management Rules- Nelepovitz undertakes and agrees to comply with and abide by all general regulations and instructions from time to time issued by Hi-Tech, including those governing hours and conditions of work, and to obey all lawful orders given by Hi-Tech, its manager, or other authorized person or persons and to conduct himself at all times in a manner as not to bring discredit on himself or Hi-Tech and to abide by all laws of the country and locality in which Nelepovitz is working.

15. Commitments Binding on Employer Only on Written Consent: Anything in this Agreement contained to the contrary notwithstanding, it is expressly understood and agreed that Nelepovitz shall not have the right to make any contracts or commitments for or on behalf of Hi-Tech without the written consent of Hi-Tech.

16. Contract Terms To Be Exclusive: This written Agreement contains the sole and entire agreement between the parties and shall supersede any and all other agreements between the parties. The parties acknowledge and agree that neither of them has made any representation with respect to the subject matters of this Agreement or any representations inducing the execution and delivery of this Agreement, except the representations as are specifically set forth in this Agreement and each of the parties acknowledges that they have relied on their own judgment in entering into the Agreement. The parties further acknowledge that any statements or representations that may have previously been made by either of them, to the other, are void and of no effect and that neither of them has relied thereon in connection with their dealings with the other.

17. Waiver or Modification Ineffective Unless in Writing: It is further agreed that no waiver or modification of this Agreement or of any covenant, condition, or limitation in this Agreement contained shall be valid unless in writing and executed by the party to be charged with it, and that no evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting this Agreement, or the rights or obligations of any party under this Agreement, unless the waiver or modification is in writing, executed as previously stated, and the parties further agree that the provisions of this paragraph may not be waived except as set forth in this Agreement.

18. Partial Invalidity: In the event that any covenant, condition or other provision herein contained is held to be invalid, void or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect, impair or invalidate any other covenant, condition or other provision herein contained. If such condition, covenant or other provision shall be deemed invalid due to its scope or breadth, such covenant, condition or other provision shall be deemed valid to the extent of the scope or breadth permitted by law.

19. Governing Law and Venue: This Agreement shall be construed and interpreted in accordance with the laws of the State of California, USA. It is further agreed that the Courts of

W.A. / DN

the State of California shall have exclusive jurisdiction over all disputes arising between any party hereto or signatory hereof against any other party hereto or signatory hereof where such dispute arises under this Agreement, relates to the Products, or otherwise arises between the parties or a signatory. In that regard, all claims, causes of action, contracts, agreements, purchase orders or other venue conferring acts shall be deemed to have taken place at El Cajon, California.

20. Remedies: The parties acknowledge that Hi-Tech's exclusivity in the marketplace and the support and employment obligations of Nelepovitz are primary inducements for Hi-Tech to enter into the within Agreement. Accordingly, in addition to all other legal and equitable remedies available to the parties, in the event of an actual or threatened breach by Nelepovitz of the terms of this Agreement, Hi-Tech shall be entitled to injunctive and such other equitable relief designed to restrain Nelepovitz from breaching this Agreement or, in the event of the occurrence of such a breach, designed to restrain such Nelepovitz from continuing such breach.

21. Attorneys' Fees: In the event of any litigation or arbitration between the Nelepovitz, HyperForm and Hi-Tech concerning the obligations or performance of the parties hereunder, the prevailing party shall be entitled to reasonable attorneys' fees and costs. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred in good faith.

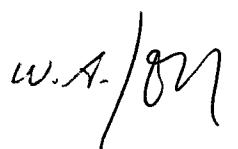
22. Counterparts: This Agreement may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

23. Effectuation of Agreement: Following the date hereof, each party shall take such action and execute such additional documentation as may be reasonably necessary or appropriate to effectuate the provisions of this Agreement.

24. Interpretation: No provision of this Agreement is to be interpreted for or against any party because that party or that party's legal representative drafted such provision.

25. Waiver: The waiver by either party of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent payment of monies or acceptance of performance hereunder by either party, shall not be deemed to be a waiver of any preceding default by the other party of any term, covenant or condition of this Agreement, regardless of such party's knowledge of such preceding default at the time of the acceptance of such monies or performance.

26. Binding on Successors and Assigns: Subject to the limitations herein set forth, the provisions of this Agreement shall be binding upon and inure to the benefit of the successors, agents, representatives and assigns of the parties hereto.



27. Notices: All notices, reports requests approvals and other communications required or permitted under this Agreement shall be in writing and shall be deemed sufficient if dispatched by commercial delivery service or registered mail, postage prepaid and addressed as indicated below:

If to Hi-Tech:
Hi-Tech Welding Services, Inc.
1990 Friendship Drive
El Cajon, CA 92020
Attn: Wyatt Swaim
Telephone: (619) 562-5929

If to Nelepovitz or HyperForm:
2375 Ridgeway Row
La Jolla, CA 92037
Attn: Don Nelepovitz
Telephone: 858.729.0498

28. Arbitration of Disputes: Any dispute or claim in law or equity arising out of this contract or any resulting transaction shall be decided by neutral binding arbitration, in accordance with the rules of the American Arbitration Association, and not by court action, except as provided by California law for judicial review of arbitration proceedings. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The parties shall have the right to discovery in accordance with Code of Civil Procedure, Section 1283.05, et. seq.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate originals through their duly authorized officers or representatives as of the effective date set forth above.

HI-TECH WELDING SERVICES, INC., a California corporation

By: Wyatt Swaim
Title: PRESIDENT

HYPERFORM TECHNOLOGIES, INC., a California corporation

By: Don Nelepovitz
Title: PRESIDENT

DONALD O. NELEPOVITZ

By: Donald O. Nelepovitz
Donald O. Nelepovitz