

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	RELEASE BY SECURED PARTY
CONVEYING PARTY DATA	
Name	Execution Date
Middlebury Capital LLC	06/29/2007
RECEIVING PARTY DATA	
Name:	LiquidMetal Technologies, Inc.
Street Address:	30452 Esperanza
City:	Rancho Santa Margarita
State/Country:	CALIFORNIA
Postal Code:	92688
PROPERTY NUMBERS Total: 5	
Property Type	Number
Patent Number:	5030519
Patent Number:	5695825
Patent Number:	5942289
Patent Number:	6376091
Patent Number:	4725512
CORRESPONDENCE DATA	
Fax Number:	(949)852-0004
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	949.852.0000
Email:	pto@kppb.com
Correspondent Name:	John W. Peck
Address Line 1:	2875 Michelle Drive
Address Line 2:	Suite 110
Address Line 4:	Irvine, CALIFORNIA 92606
ATTORNEY DOCKET NUMBER:	L2:00439
NAME OF SUBMITTER:	Trudi Thompson

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PATENT
REEL: 024492 FRAME: 0665

Total Attachments: 3

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PAYOFF LETTER

To: Liquidmetal Technologies, Inc.
30452 Esperanza
Rancho Santa Margarita, California 92688

Re: 7% Senior Secured Convertible Notes Due August 2, 2007 (the "Notes")

Ladies and Gentlemen:

We have been advised that Liquidmetal Technologies, Inc. (the "Company") proposes to enter into a transaction (the "Proposed Transaction") pursuant to which (i) substantially all of the assets of the Company's Liquidmetal Coatings business unit (the "Transferred Assets") will be transferred to a new majority owned subsidiary of the Company ("NewCo") through a sale, capital contribution, or combination of sale and contribution, and (ii) NewCo will incur indebtedness secured by the Transferred Assets and any other assets thereafter acquired by NewCo. In connection with the Proposed Transaction, the Company has requested that the undersigned, as a holder of a Note (the "Holder"), accept from the Company payment in full of all indebtedness and liabilities (the "Obligations") to the Holder under the Note and under the Amended and Restated Registration Rights Agreement, dated August 2, 2005, among the Company, Holder, other the other holders of Notes, and to terminate the Holder's security interests in all collateral (the "Collateral") of the Company under the Amended and Restated Security Agreement, dated August 2, 2005, among the Company, the Holder, and other Company noteholders (the "Security Agreement").

1. Payoff Amount and Procedures. This letter will confirm that the Holder is agreeable to the above described payment in full of the Note and Obligations upon the terms and conditions set forth herein. The amount payable to Holder in full payment of the Note and Obligations (the "Payoff Amount") as of July 9, 2007 (the "Payoff Date") is set forth next to Holder's name in the table attached hereto as Exhibit A under the column entitled "Payoff Amount." The Payoff Amount should be wired to the Holder to the account set forth on the signature page hereto. If the Payoff Amount is not paid before 2:00 p.m., Eastern Daylight Savings Time, on the Payoff Date, then interest will accrue after 2:00 p.m., Eastern Daylight Savings Time, on the Payoff Date, at a *per diem* amount equal to the amount set forth next to Holder's name on Exhibit A hereto under the column entitled "Per Diem Amount," and will continue to accrue at the same time on each day thereafter until the Payoff Amount (together with the *per diem* interest accrual) is paid in full. Upon the Holder's receipt of payment in full of the Payoff Amount, together with any accrued and unpaid *per diem* interest as set forth above, by 2:00 p.m. on the Payoff Date or on any date thereafter on or prior to July 29, 2007, the Holder will release its security interest on any property granted or pledged as collateral security for the Obligations to the Holder under the Note and Obligations, and the Note and Obligations will thereupon be deemed to be paid in full (with any prior default under the Note and Obligations being deemed to be irrevocably waived).

2. Agreement to Release Liens, Security Interests. Upon the satisfaction of the conditions referred to in Paragraph 1 above, the Holder (i) hereby agrees that the security interest and lien created by the Security Agreement will thereupon be immediately and

automatically released without any further action by Holder and the Security Agreement will automatically and immediately terminate, (ii) hereby authorizes the preparation and filing by the Company or its counsel, Foley & Lardner LLP, of any Uniform Commercial Code termination statements as are necessary or appropriate to terminate of record any currently existing UCC financing statements purporting to evidence a security interest in favor of the Holder in any or all assets of the Company, and (iii) hereby agrees to execute and deliver any necessary mortgage releases, discharges of liens, security interests and other similar discharge or release documents in recordable form as are necessary to release, as of record, any financing statements and any other notices of termination of security interests and liens granted pursuant to the Security Agreement, or otherwise, or filed, recorded or registered by the Holder with respect to the Obligations, and any other forms of release as Company may reasonably request to terminate any and all such liens.

3. Other Documents. The Holder and Company agree to execute, at the Company's expense, such other documents as the other may reasonably request in order to accomplish the matters referred to in this letter. In addition, to the extent that the Holder is a party to any document or agreement with the Company pursuant to which the consent of Holder would be required in order for the Company to effectuate the Proposed Transaction, then the Holder hereby irrevocably consents to the Proposed Transaction for purposes of any and all such documents or agreements provided that the conditions set forth in Paragraph 1 above will become satisfied simultaneous with or as a result of the Proposed Transaction.

[signature(s) on following page]

Indigo Securities
(P/k/a Middleburg Capital)

Signature Page to Payoff Letter

HOLDER:

By: E. Brachfeld

Name: Eric Brachfeld

Title: Managing Member

DATE:

6/29/07, 2007

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