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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT**  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 24, 2015

**LIQUIDMETAL TECHNOLOGIES, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation)

**000-31332**  
(Commission File Number)

**33-0264467**  
(I.R.S. Employer  
Identification No.)

**30452 Esperanza**  
**Rancho Santa Margarita, California 92688**  
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(949) 635-2100**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2-(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01. Entry into a Material Definitive Agreement.**

On February 24, 2015, Liquidmetal Technologies, Inc. (the “Company”) issued a Revolving Note (the “Revolving Note”) in favor of City National Bank, a national banking association (“City”), evidencing a revolving line of credit of up to \$2 million (the “Principal Amount”), with a maturity date of February 13, 2016 (the “Maturity Date”), with renewability on an annual basis, and executed a Security Agreement in favor of City (the “Security Agreement”). The Company intends to use the revolving line of credit provided by City to finance capital and other expenditures.

Interest accrues on outstanding borrowings under the Revolving Note at a rate of 2.1% per annum. The Company will make monthly payments of accrued interest under the Revolving Note until the Maturity Date, at which point the Company is required to pay all outstanding borrowings and accrued but unpaid interest due to City under the Revolving Note. The Company has the right to borrow any portion of the Principal Amount and to repay outstanding borrowings and accrued interest under the Revolving Note, in whole or in part, in each case at any time before the Maturity Date and without penalty or premium, provided that the Company’s outstanding borrowings under the Revolving Note may not exceed the Principal Amount at any time.

The Company’s obligations under the Revolving Note are secured by a security interest in the Company’s certificate of deposit account with City pursuant to the Security Agreement. The Company’s obligations may be accelerated and City’s commitments may be terminated upon the occurrence of an event of default under the Revolving Note, including payment defaults, bankruptcy and insolvency related defaults, cross defaults to other obligations, defaults related to inaccuracy of representations and warranties, including those under the Security Agreement, defaults in the performance of covenants under the Security Agreement and other customary events of default.

The foregoing does not purport to be a complete description of the Revolving Note or the Security Agreement and is qualified in its entirety by reference to the full text of each document, which are attached as Exhibits 10.1 and 10.2, respectively, to this Form 8-K and are incorporated by reference herein.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information included in Item 1.01 of this Form 8-K is hereby incorporated by reference into this Item 2.03.

**Item 9.01. Financial Statements and Exhibits.****(d) Exhibits**

See the Exhibit Index set forth below for a list of exhibits included with this Form 8-K.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**LIQUIDMETAL TECHNOLOGIES, INC.**

By: /s/ Tony Chung  
Tony Chung  
Chief Financial Officer

Date: February 26, 2015

**FORM 8-K**  
**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description</b>
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10.1 Revolving Note, dated February 24, 2015, by Liquidmetal Technologies, Inc. in favor of City National Bank.\*

10.2 Security Agreement, dated February 24, 2015, by Liquidmetal Technologies, Inc. in favor of City National Bank.\*

\* Filed herewith.



REVOLVING NOTE  
(Interest Fixed)

\$2,000,000.00

Account/Note No. 244988-33821  
Small Business/South Orange Ct.  
20 Pacifica  
Irvine, CA 92618  
February 24, 2015

On February 13, 2016, the undersigned, LIQUIDMETAL TECHNOLOGIES, INC., a Delaware corporation (the "Borrower"), promises to pay to the order of City National Bank, a national banking association ("CNB"), at its office in this city, in lawful money of the United States of America and in immediately available funds, the principal sum of TWO MILLION AND NO/100THS DOLLARS (\$2,000,000.00), or so much thereof as may be advanced and be outstanding, with interest thereon to be computed on each advance from the date of its disbursement at a rate of two and one *I* tenth percent (2.10%) per year (computed on a basis of a 360-day year, actual days elapsed).

As provided herein, all or any portion of the principal of this Note may be borrowed, repaid and reborrowed from time to time up to and including maturity, provided at the time of any borrowing no Event of Default (as hereinafter defined) exists, and provided further that the total borrowings outstanding at any one time shall not exceed the principal amount stated above. Each borrowing and repayment shall be noted in the books and records of CNB. The excess of borrowings over repayments shall evidence the principal balance due hereon from time to time and at any time. Borrowings hereunder shall be conclusively presumed to have been made to or for the benefit of Borrower when made as noted in such books and records.

Interest accruing on this Note shall be payable on the thirteenth (13th) day of each month, commencing March 13, 2015.

Borrower shall pay to CNB a late charge of 5.00% or \$10.00, whichever is greater, of any payment not received by CNB on or before the 10th day after the payment is due.

1. EVENTS OF DEFAULT. The occurrence of any of the following with respect to any Borrower shall constitute an "Event of Default" hereunder:

1.1. Failure to make any payment of principal or interest when due under this Note;

1.2. Filing of a petition by or against any of such parties under any provision of the *Bankruptcy Code*;

1.3. Appointment of a receiver or an assignee for the benefit of creditors;

1.4. Commencement of dissolution or liquidation proceedings or the disqualification (under any applicable law or regulation) of any of such parties which is a corporation, partnership, joint venture or any other type of entity;

- 1.5. Death or incapacity of any of such parties which is an individual;
- 1.6. Revocation of any guaranty of this Note, or any guaranty of this Note becomes unenforceable as to any future advances under this Note;
- 1.7. Any financial statement provided by any of such parties to CNB is false or materially misleading;
- 1.8. Any material default in the payment or performance of any obligation, or any default under any provision of any contract or instrument pursuant to which any of such parties has incurred any obligation for borrowed money, any purchase obligation or any other liability of any kind to any person or entity, including CNB;
- 1.9. Any sale or transfer of all or a substantial or material part of the assets of any of such parties other than in the ordinary course of business; or
- 1.10. Any violation, breach or default under this Note, any letter agreement, guaranty, security agreement, subordination agreement or any other contract or instrument executed in connection with this Note or securing this Note.

Upon the occurrence of any Event of Default, CNB, at its option, may declare all sums of principal and interest outstanding hereunder to be immediately due and payable without presentment, demand, protest or notice of dishonor, all of which are expressly waived by Borrower, and CNB shall have no obligation to make any further advances hereunder. Borrower agrees to pay all costs and expenses, including reasonable attorneys' fees (which counsel may be CNB employees), expended or incurred by CNB (or allocable to CNB's in-house counsel) in connection with the enforcement of this Note or the collection of any sums due hereunder and irrespective of whether suit is filed. Any principal or interest not paid when due hereunder shall thereafter bear additional interest from its due date at a rate of five percent (5.0%) per year higher than the interest rate as determined and computed above, and continuing thereafter until paid.

Should more than one person or entity execute this Note as Borrower, the obligations of each Borrower shall be joint and several.

This Note and all matters relating thereto shall be governed by the laws of the State of California.

Borrower represents and warrants to CNB that (a) Borrower's most recent financial statements that have been delivered to CNB are true, complete and correct and fairly present the financial condition of Borrower as of the accounting period referenced on the statements, and there has been no material adverse change in the financial condition of Borrower since the date of such financial statements, and (b) Borrower's most recent federal income tax return and all schedules attached to such return ("Federal Tax Return") that have been delivered to CNB are a true and correct copy of such Federal Tax Return filed with the Internal Revenue Service for the tax period ending on the date indicated in such Federal Tax Return.

No failure or delay on the part of CNB in exercising any power, right or remedy under this Note will operate as a waiver thereof, and no single or partial exercise or waiver by CNB of any such power, right or remedy will preclude any further exercise thereof or the exercise of any other power, right or remedy. Borrower waives any applicable statute of limitations, presentment, demand for payment, and notice of dishonor, unless prohibited by applicable law. Borrower agrees that CNB may, at CNB's sole option, renew or extend the maturity date of this Note by giving Borrower prior written notice thereof, in which event the maturity date set forth in such notice will become the new maturity date of this Note.

"BORROWER"

LIQUIDMETAL TECHNOLOGIES, INC.,  
a Delaware corporation

By: /s/ Tony Chung  
Tony Chung, CFO/Secretary

By: /s/ Thomas W. Steipp  
Thomas W. Steipp, President

By: /s/ Ricardo A. Salas  
Ricardo A. Salas, Executive Director




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SECURITY AGREEMENT  
(General)

In consideration of the covenants and agreements contained herein, and financial accommodations given, to be given or continued, the undersigned Debtor hereby, pursuant to the California Uniform Commercial Code ("Code"), grants to City National Bank, a national banking association ("CNB"), as secured party, a security interest in all of the Collateral described in the Collateral Description below. The security interest created by this Agreement attaches immediately upon execution hereof, or as soon as Debtor acquires rights to the Collateral, and secures payment of any and all of (a) Debtor's indebtedness (including all debts, obligations, or liabilities now or hereafter existing, absolute or contingent, direct or indirect, matured or unmatured and including undisbursed future advances) to CNB; (b) amounts due CNB for its performance of Debtor's obligations under this Agreement; and (c) amounts due CNB in its enforcement of its rights and remedies under this Agreement (collectively, the "Indebtedness").

DEBTOR(S): LIQUIDMETAL TECHNOLOGIES, INC.  
30452 Esperanza  
Rancho Santa Margarita, CA 92688  
33-0264467

SECURED CITY NATIONAL BANK (Transit and A.B.A. No.: 16-16066/1220)

PARTY: Small Business/South Orange Ct.  
20 Pacifica  
Irvine, CA 92618

COLLATERAL DESCRIPTION:

City National Bank Certificate of Deposit Account Number xxx-xxxxxx, dated February 13, 2015, in the name of LIQUIDMETAL TECHNOLOGIES, INC., a Delaware corporation, and any and all renewals, extensions and additions thereto, all substitutions therefor and all replacements thereof (including all substitution and replacement accounts with a new number), and all proceeds thereof.

1. WARRANTIES AND REPRESENTATIONS. Debtor warrant(s) and represent(s):

1.1. Debtor's Title. Debtor has title to all Collateral; all Collateral is genuine; and, except as CNB has expressly consented to in writing, no other person, entity, agency or government has or purports to have any right, title, lien, encumbrance, claim or interest in any Collateral and there is no financing statement on file anywhere covering or affecting the Collateral.

1.2. Debtor's Authority. Debtor has authority to enter into this Agreement.

1.3. Payment Rights. All Collateral consisting of accounts, chattel paper, general intangibles, instruments and documents (hereinafter, collectively called "Payment Rights") is bona fide, enforceable according to its terms and free from all defenses, claims, defaults, prepayments, setoffs and conditions precedent. All persons obligated on Payment Rights have authority and capacity to contract. All Payment Rights comply with all applicable laws concerning form, content, manner of preparation and execution, including where applicable, any consumer credit laws.



1.4. Chattel Paper. The security interest evidenced by chattel paper Collateral has been perfected and preserved and, where required by the chattel paper, adequate insurance has been obtained with loss payable to Debtor.

1.5. Bills of Lading. All bills of lading, warehouse receipts or other documents or instruments of title outstanding with respect to the Collateral, or any portion thereof, have been delivered with any necessary indorsement to CNB.

1.6. Information. Debtor's most recent financial statements that have been delivered to CNB are true, complete and correct and fairly present the financial condition of Debtor as of the accounting period referenced on the statements, and there has been no material adverse change in the financial condition of Debtor since the date of such financial statements. Debtor's most recent federal income tax return and all schedules attached to such return ("Federal Tax Return") that have been delivered to CNB are a true and correct copy of such Federal Tax Return filed with the Internal Revenue Service for the tax period ending on the date indicated in such Federal Tax Return. Any and all other information now or hereafter supplied to CNB by Debtor is complete, true and correct.

2. COVENANTS AND AGREEMENTS. Debtor covenants and agrees:

2.1. General Powers over Collateral. Debtor authorizes CNB to transfer the Collateral to its own or nominee's name, and to perform any and all acts which CNB believes in good faith to be necessary or desirable to protect or preserve the Collateral, its value or CNB's security interest therein. These acts include, but are not limited to, voting, exercising options, warrants or conversion rights, tendering Collateral, entering into extension, reorganization, deposit, merger or consolidation agreements, compromising disputes and replugging the Collateral.

2.2. Powers over Payment Rights. At any time that CNB desires, whether or not an Event of Default (as defined below) has occurred, CNB may notify any person liable on a Payment Right (herein called "Account Debtor") to make payments thereon directly to CNB, collect Payment Rights and take control of cash and noncash proceeds and grant extensions, make adjustments, compromise or otherwise settle any Payment Rights as CNB deems in its sole discretion to be appropriate, without affecting Debtor's liability for the Indebtedness. Until such time as CNB elects to exercise such rights, Debtor is authorized on behalf of CNB to collect and enforce Payment Rights. Upon CNB's request, Debtor shall deliver to CNB, for application against the Indebtedness, all checks, drafts, cash and other remittances in payment of the Payment Rights on the banking day following receipt, in precisely the form received, except for Debtor's indorsement where necessary to permit collection of the item, which indorsement Debtor agrees to make. Pending such delivery, Debtor shall not commingle any checks, drafts, cash and other remittances with any of its other funds or property, but shall hold them separate and apart expressly in trust for CNB. All such remittances shall be accompanied by such statements and reports of collections and adjustments as CNB may from time to time specify.

2.3. Modification and Allowance of Payment Rights. Debtor shall not modify any of the terms, conditions or covenants of any original sale, exchange, lease, disposition or services rendered or to be rendered which give rise to any Payment Right without CNB's prior written consent. Debtor may only give normal allowances, credits and discounts on Payment Rights after first giving written notice to CNB and, upon CNB's demand, shall pay the same to CNB.

2.4. Notice of Changes in Information. Name. Structure or Litigation. Debtor shall immediately notify CNB of (a) any adverse changes in Debtor's financial condition or operations or in any financial or other information provided to CNB; (b) any change in Debtor's residence, primary place of business, mailing address, name, trade name, and, if Debtor is an organization, its identity or corporate structure; (c) any new openings of places of business by Debtor; (d) any litigation pending or threatened against Debtor or affecting the Collateral or having a material adverse effect upon Debtor's business or financial condition or its properties; and (e) any unpaid taxes of Debtor which are more than fifteen (15) days delinquent.

2.5. Reports; Verification; Inspection. Debtor shall provide CNB with such reports, accountings, documents and information as may be requested by CNB from time to time concerning the Collateral including, but not limited to, reports and information about acquisitions, dispositions, returns, delivery and valuation of Collateral consisting of goods, and rendering of services and agings and identification of Account Debtors for Collateral consisting of Payment Rights. Debtor shall mark its books and records and the Collateral as requested by CNB to show CNB's security interest therein. Debtor shall permit CNB, when requested, to inspect Debtor's locations and the Collateral and to inspect, examine, audit and copy any of Debtor's books, records, statements, correspondence and other data relating to Debtor's business and the Collateral. Debtor shall assemble and make such Collateral and data available to CNB as requested by CNB.

2.6. Location and Identification. Debtor shall keep the Collateral separate and identifiable and, except for Inventory under lease, at Debtor's address stated in this Agreement or such other address(es) as Debtor has first given notice to CNB.

2.7. Sale. Lease or Disposition. Debtor shall not, without CNB's prior written consent, sell, encumber or otherwise dispose of or transfer any Collateral or interest therein, or permit any such disposition or transfer, until all of the Indebtedness has been completely discharged; provided, however, if an Event of Default has not occurred, Debtor may sell or lease Collateral consisting of Inventory in the ordinary course of Debtor's business.

2.8. Defense of Title. Debtor shall (a) appear in and defend any actions or proceedings purporting to affect CNB's security interest in or Debtor's or CNB's rights, powers or title to any Collateral; (b) take such actions which CNB deems necessary to keep the Collateral free and clear from all liens, encumbrances, claims, rights, counterclaims or defenses of others; and (c) pay such costs, expenses and attorneys' fees related to such actions.

2.9. Maintain Warranties. Debtor shall maintain all of the Warranties and Representations stated above on an ongoing basis for all Collateral which Debtor hereafter acquires or creates until all of the Indebtedness, and any rights of Debtor to future advances from CNB, are fully discharged.

2.10. Maintenance, Repair, Use. Debtor shall (a) maintain and keep the Collateral in good working condition and repair; (b) only use the Collateral in a lawful manner and in ways which will not void insurance coverage; and (c) not use the Collateral so as to cause or result in any waste or unreasonable deterioration or depreciation.

2.11. Decrease in Value of Collateral. If, in CNB's judgment, the Collateral has materially decreased in value, Debtor shall either provide enough additional Collateral to satisfy CNB or reduce Debtor's total Indebtedness by an amount sufficient to satisfy CNB.

2.12. Insurance. Debtor shall insure the Collateral, with CNB as payee under lenders loss payable endorsement, in form, amount, with companies and against risks satisfactory to CNB. Debtor hereby assigns all insurance policies and proceeds thereof to CNB and authorizes CNB to make any claims thereunder, cancel the insurance upon the occurrence of an Event of Default hereunder, and receive all payments thereunder, including return premiums. Debtor shall also maintain insurance in types and amounts customarily carried in its line of business, including property insurance for fire, with extended coverage and malicious mischief and vandalism, and public liability for its acts and products, with companies satisfactory to CNB. Debtor authorize[s] the insurance companies and Debtor's representatives to deliver policies and other proofs of all the foregoing insurance coverage to CNB.

2.13. Damage or Destruction to Collateral. Debtor shall promptly notify CNB in the event any Collateral is damaged, destroyed or lost, stating the cause, nature and extent of the damage, destruction or loss.

2.14. Assignment of Use, Increase Profits. Debtor assigns and agrees to deliver to CNB promptly upon receipt all increases, profits, proceeds, dividends, distributions, products, substitutions, replacements and rights of use of the Collateral.

2.15. Taxes, Assessments, Charges, Liens. Debtor shall pay and discharge when due all taxes, assessments, charges, liens and encumbrances now or hereafter affecting the Collateral and, if the Collateral is on or attached to realty owned by Debtor, the realty on which the Collateral is located.

2.16. Additional Documents. Debtor shall execute, acknowledge and deliver to CNB any additional documents, assignments or agreements that CNB, from time to time, deems necessary or advisable respecting the Collateral.

2.17. General Business Operation. Debtor shall keep accurate and complete records regarding its business and the Collateral. Debtor shall conduct its business without voluntary interruption, except in the event of an emergency, and shall maintain all privileges, franchises, licenses and permits required to conduct its business.

2.18. Power of Attorney. In order to preserve and protect CNB's rights under this Agreement and in the Collateral, Debtor appoints CNB as its true and lawful attorney in fact, with full power of substitution, to perform any and all acts which Debtor is obligated to do or CNB is entitled to do under this Agreement. This power of attorney includes, but is not limited to, the right to use the Collateral as Debtor might use; collect the proceeds and profits of Collateral as Debtor might collect; release Collateral and Account Debtors; receive, open and dispose of all mail addressed to Debtor; notify the Post Office to change the address for delivery of mail addressed to Debtor to such address as CNB shall designate; and endorse Debtor's name on all checks, drafts and other items remitted for payment with respect to the Collateral or collection of Payment Rights. Nothing herein shall obligate CNB to exercise any of the rights granted by this power of attorney. Debtor shall immediately reimburse CNB for any and all costs, attorneys' fees or expenses made or incurred by CNB (including attorneys' fees allocable to CNB's in-house counsel) while acting under this power of attorney.

2.19. Reimbursement. Debtor shall reimburse and pay CNB, upon demand, any and all expenses, costs and attorneys' fees incurred by CNB, or allocable to CNB's in-house counsel, whether or not a lawsuit is filed, in the enforcement or exercise of any of CNB's rights, powers or remedies or performance of any of Debtor's obligations under this Agreement or the protection, preservation or disposition of the Collateral, with interest from the date of expenditure or when the fee became allocable at the rate set forth in the Indebtedness (and if this Agreement secures more than one Indebtedness, at the highest of the interest rates), or if the Indebtedness does not specify a rate of interest, at a rate of interest equal to CNB's Prime Rate, as it may exist from time to time, plus five percent (5.0%) per year, but in no event less than ten percent (10.0%) per year.

2.20. Debtor's Waivers. Debtor waives any rights to require CNB to proceed against any other person, to exhaust the Collateral or any other property securing the Indebtedness or to pursue any other remedies available to CNB.

2.21. Purchase Money. If proceeds of any loan from CNB to Debtor are to enable Debtor to acquire rights in or the use of Collateral, Debtor shall use the loan proceeds for such purpose, and deliver the Collateral to CNB when requested by CNB.

2.22. Cultivation and Animal Husbandry. If the Collateral is timber, crops or livestock, Debtor will protect and cultivate, and care for the Collateral using methods of cultivation and animal husbandry acceptable to CNB.

3. EVENTS OF DEFAULT. Debtor agree(s) that the occurrence of any of the following shall constitute an "Event of Default" under this Agreement:

- 3.1. Debtor's failure to pay when due any principal, interest or other amount due under any of the Indebtedness.
- 3.2. Debtor's failure to perform or observe any of the terms, provisions, covenants, agreements or obligations contained in this Agreement.
- 3.3. Any Warranty or Representation made in this Agreement is false or misleading or is believed by CNB in good faith to be false or misleading.

3.4. There shall occur an event of default or other violation of any term, condition, warranty, representation, or other provision of any promissory note, instrument or agreement evidencing any of the Indebtedness or executed in connection with any of the Indebtedness.

3.5. CNB in good faith deems itself insecure because the prospect of performance of any covenant or agreement in this Agreement is impaired, or the value or priority of CNB's security interest in any of the Collateral is impaired or unenforceable.

4. REMEDIES. Upon the occurrence of an Event of Default, in addition to any other rights or remedies provided or allowed by law, Debtor understands and agrees that CNB may, at its sole option, and without notice to Debtor, take one or more of the following actions:

4.1. Acceleration of Maturity. Declare all of Debtor's Indebtedness immediately due and payable.

4.2. Performance of Debtor's Obligations by CNB. Perform any of Debtor's obligations under this Agreement.

4.3. Possession and Protection. Take possession of that Collateral not already in CNB's possession; require Debtor or other persons in possession or control of Collateral to assemble it and make it available to CNB at such places as designated by CNB which are reasonably convenient to Debtor and CNB; render the Collateral unusable without removing it; enter upon such properties where the Collateral might be located; and take such actions as CNB deems necessary or appropriate to protect its interest in the Collateral.

4.4. Expenses. Incur any expenses which CNB deems necessary in exercising any rights, remedies or powers under this Agreement or applicable law, including reasonable attorneys' fees and legal costs and expenses, whether or not a lawsuit is filed.

4.5. Additional Collateral. Demand that Debtor provide enough additional Collateral to satisfy CNB.

4.6. Setoff. Exercise all rights of setoff to the same effect and in the same manner as if no Collateral had been given.

4.7. Notice. Notify other interested persons or entities of the default, acceleration and other actions by CNB.

4.8. Suit, Retention or Disposition of Collateral. Sue the Debtor or any other person or entity liable for the Indebtedness; retain the Collateral in satisfaction of the Indebtedness; dispose of the Collateral and apply the proceeds of disposition to the Indebtedness and the costs, expenses and attorneys' fees which CNB has incurred pursuant to this Agreement (including attorneys' fees allocable to CNB's in-house counsel) in such order and manner as CNB desires.

5. RULES TO CONSTRUE AGREEMENT. Debtor understand(s) and agree(s) that:

5.1. Definitions. All terms used to describe the Collateral which are defined in the Code, shall have the respective meanings as such terms are so defined.

5.2. Time of Essence. Time is of the essence of this Agreement.

5.3. Waiver. CNB's acceptance of partial or delinquent payments or failure of CNB to exercise any right or remedy shall not be deemed a waiver of any obligation of Debtor or right of CNB nor constitute a modification of this Agreement, nor constitute a waiver of any other similar default subsequently occurring.

5.4. Complete Agreement. This Agreement, together with any exhibits, is intended by CNB and Debtor as a final expression of their agreement and is intended as a complete statement of the terms and conditions of their agreement.

5.5. Assignments, etc. The provisions of this Agreement are hereby made applicable to and shall inure to the benefit of CNB's successors and assigns and bind Debtor's heirs, legatees, devisees, administrators, executors, successors and assigns.

5.6. Law Governing. This Agreement shall be construed and governed by the laws of the State of California.

5.7. Multiple Debtors. When more than one Debtor signs this Agreement all agree that:

5.7.1. Construction - whenever the word "Debtor" appears in this Agreement, it shall mean "each Debtor".

5.7.2. Breach - breach of any Covenant or Warranty by any Debtor may, at CNB's option, be treated as a breach by all Debtors.

5.7.3. Liability - the liability of each Debtor is joint and several and the discharge of any Debtor, for any reason other than full payment, or any extension, forbearance, change of rate of interest, or acceptance, release or substitution of security or any impairment or suspension of CNB's remedies or rights against one Debtor, shall not affect the liability of any other Debtor.

5.7.4. Waiver - all Debtors waive the right to require CNB to proceed against one Debtor before any other or to pursue any other remedy in CNB's power.

5.8. Notice. All notices to be provided under this Agreement shall be in writing and delivered, if to Debtor, at the address stated in this Agreement, and if to CNB, at its address stated in this Agreement, or such other address as one party shall give notice of to the other party as provided herein.

5.9. Severability. If any provision of this Agreement shall be held to be prohibited or unenforceable under applicable law, such provision shall be ineffective only to the extent of such prohibition or unenforceability, without invalidating the remainder of such provisions or any remaining provisions of this Agreement.

5.10. Headings. Section and subsection headings in this Agreement are included for convenience of reference only and shall not be a part of this Agreement for any purpose or be given any substantive effect.

5.11. Amendment or Modification. No provision or term of this Agreement may be modified, amended or waived without the prior written consent of CNB.

Dated: February 24, 2015

"DEBTOR"

LIQUIDMETAL TECHNOLOGIES, INC.,  
a Delaware corporation

By: /s/ Tony Chung  
Tony Chung, CFO/Secretary

By: /s/ Thomas W. Steipp  
Thomas W. Steipp, President

By: /s/ Ricardo A. Salas  
Ricardo A. Salas, Executive Director