

08-15-2001



Form PTO-1595

(Rev. 03/01)

OMB No. 0651-0027 (exp. 5/31/2002)

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FEET

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Alan H. Rosman

08/10/01

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other _____

Execution Date: 7/3/2001

2. Name and address of receiving party(ies)

Name: U. S. Escrow & Financial Services

Internal Address: _____

Street Address: 7860 E. Berry Place,

Suite 201

City: Greenwood Village State: CO Zip: 80111

Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s)

B. Patent No.(s)

4,631,918/4,715,180/4,801,126/4,848,085

Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: U. S. Escrow

Internal Address: _____

Attn: James T. Devine

Street Address: 7860 E. Berry Place

Suite 201

Greenwood Village

City: _____ State: CO Zip: 80111

6. Total number of applications and patents involved: ☐

7. Total fee (37 CFR 3.41).....\$ 160.00

☒ Enclosed☐ Authorized to be charged to deposit account

8. Deposit account number: _____

(Attach duplicate copy of this page if paying by deposit account) **BP**

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

James T. Devine

Name of Person Signing

Signature

Date

8/6/01

Total number of pages including cover sheet, attachments, and documents: **5**

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

PATENT

REEL: 012059 FRAME: 0431

08/15/2001 L MUELLER 00000059 4631018

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160.00 BP

ATTACHMENT A

Security Agreement

This SECURITY AGREEMENT ("Agreement") between Allan Rosman, individually and as President of DynaPump, Inc., a California Corporation ("Debtor") and U.S. Escrow Services, Inc. ("Secured Party") in consideration of the promises made herein and intending to be legally bound, agree as follows:

ARTICLE 1. RECITALS

Legal Status of Debtor

Section 1.01. Debtor comprises an individual and a corporation duly organized, validly existing, and in good standing under the laws of the State of California, where appropriate corporate power to own property and carry on its business as it is now being conducted. Debtor has its principal office and place of business at 9321 Melvin Avenue, Northridge, California 91324. Debtor keeps its records concerning accounts and contract rights at 9321 Melvin Avenue, Northridge, California 91324.

Legal Status of Secured Party

Section 1.02. Secured Party is a Colorado corporation, with power to loan money, own property and carry on business as is now being conducted. Secured Party has its principal office and place of business at 7860 E. Berry Place, Suite 202, Greenwood Village, CO 80111.

ARTICLE 2. INDEBTEDNESS AND GRANT OF SECURITY INTEREST

Section 2.01. On or about the date indicated thereon, the following Promissory Note ("Note") was executed by Debtor payable to the Secured Party. The Note is attached hereto and incorporated herein by reference.

a) \$200,000.00 executed July 2, 2001 payable not later than 182 days from execution.

Concurrent with execution of the Note, Debtor has instructed Power Marketing, a former secured party of Debtor, to execute a UCC-3 Assignment, attached hereto as Exhibit B and incorporated herein by reference. The original UCC-1 Financing Statement was filed by Power Marketing with the Secretary of State of California on December 22, 2000, and recorded with the L.A. County Recorder's office. Debtor confirms the perfection and adequacy of the execution and filing of the UCC-3 Assignment.

Certain Stock Warrants have also been pledged by Debtor concurrent with execution of the Note, which are attached hereto and incorporated herein as Exhibit C.

Representations, Warranties and Covenants of Debtor

Section 2.02. To induce Secured Party to enter into this Agreement, Debtor represents and warrants that each of the following representations and warrants now are and hereafter will continue to be true and correct in all respects and Debtor has and will timely perform each of the following covenants:

- a) Corporate Existence and Power: Debtor corporation is and will continue to be duly authorized, validly existing and in good standing under the laws of the jurisdiction of its incorporation. Debtor is and will continue to be qualified and licensed in all jurisdictions in which the nature of the business transacted by it, or the ownership or leasing of its property, make such qualification or licensing necessary, and Debtor has and will continue to have all requisite power and authority to carry on its business as it is now, or may hereafter, be, conducted.

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- b) Authority: Debtor is and will continue to be duly empowered and authorized to enter into and grant security interests in its property, and to perform its obligations under the Note, Agreement and all other instruments and transactions contemplated hereby or relating hereto. The execution, delivery, and performance by Debtor of this Agreement, the Note and all other instruments and transactions contemplated hereby or relating hereto, have been duly and validly authorized, and are enforceable against the Debtor in accordance with their terms, and do not and will not violate any law or any provisions of, nor be grounds for acceleration under any agreement, indenture, note, or instrument which is binding upon Debtor, or any of its property, including without limitation, Debtor's Articles or Incorporation, By-Laws, and any Shareholder Agreements.
- c) Name: Trade Names and Styles: Debtor has set forth above its absolutely true and correct name. Listed below are each prior true name of Debtor and each fictitious name, trade name and trade name style by which Debtor has been, or is now, or has previously transacted, or now transacts business:
- d) Notice: Debtor shall provide Lender within fifteen (15) days' advance written notice before doing business under any other name, fictitious name, trade name or trade style. Debtor has complied, and will hereafter comply, with all laws relating to the conduct of business under the power of property in, and the renewal or continuation of the right to use, a corporate, fictitious or trade name or trade style.
- e) Definitions of Obligations and Collateral, Grant of Security Interest: The term "obligations" as used within this Agreement and the Note shall mean and include each and all of the following: the obligation to pay the Note and all fees thereon when due and to pay and to perform when due all other debts and all obligations, liabilities, covenants, agreements, guarantees, warrants, and representations of Debtor to Secured Party, of any and every kind and nature, whether heretofore, now or hereafter owing, arising, due or payable from Debtor to Secured Party, howsoever created, incurred, acquired, arising or evidenced; whether primary, secondary, direct, absolute, contingent, fixed, secured, unsecured or otherwise; whether as principal or guarantor; liquidated or unliquidated; certain or uncertain; determined or undetermined; due or to become due; as a result of present or future advance, or otherwise, joint or individual; pursuant to, or caused by Debtor's breach of the Agreement, the Note, or any other present or future agreement or instrument, or created by operation of law or otherwise; evidenced by a written instrument or oral; created directly between Secured Party and Debtor or owed by Debtor to a third party and acquired by Secured Party from such third party; monetary or non-monetary. As security and collateral for the Obligations, Debtor hereby grants Secured Party a continuing security interest in, and assigns to Secured Party, all of Debtor's interest in the types or property described below, whether now owned or hereafter acquired and wherever located (collectively called "collateral").

Security Interest Granted

Section 2.03. As collateral security for the repayment of the, Debtor assigns and grants a security interest in all of the following, whether presently existing or hereafter acquired, or arising in which Debtor now or hereafter acquires any interest, and wherever located, including substitutions, accessions, additions, and replacements thereto or thereof:

All inventory, equipment, and accounts receivables.

All patents numbered 4,801,126; 4,715,180; 4,848,085 and 4,631,918.

20,000 shares of OroNegro, Inc. Stock Certificate No. 26.

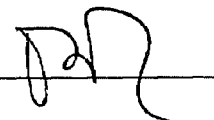
5,790,825 shares of DynaPump, Inc. Stock Certificate No. 51.

All of those types and items of property listed in the UCC-1 Financing Statement, filing number 0105460603 filed on February 16, 2001 with the Secretary of State for California, incorporated herein as though fully set forth.

Debtor also agrees that Secured Party may file a lien on Debtor's patents with the California Secretary of State and with the U.S. Patent Office.

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Security, Not Sale

Section 2.04. Said accounts and property are assigned to Secured Party as Collateral security for loans and are not to be deemed sold to Secured Party. Accounts and Property Valid are Free From Defenses

Section 2.05. Debtor represents and warrants;

- a) All accounts and property as Collateral security are genuine and valid.
- b) The accounts stated herein are true accounts, and property and equipment are valued at true values and said accounts and property are not subject to any defense, set off, counterclaim, or claim of any substance or nature whatsoever.
- c) Debtor is the true and sole owner of said accounts and property, and said accounts and property are not subject to any prior security interest and are free and clear of all liens and encumbrances of any nature.
- d) Debtor shall not, until such time as all of the terms of said promissory note are met, subject said accounts and property to any security interest of other lien or encumbrance.

Security Interest Charges

Section 2.06. Debtor shall pay all reasonable charges and fees in connection with the perfection of this security interest.

ARTICLE 3. COLLECTION.

Section 3.01. In the event of default of any of the terms of the Note, and without prior notice to Debtor, Secured Party shall not be required to advance any further funds, and shall be entitled to demand, collect, receive, sue for, negotiate, and otherwise compromise any and all accounts and property of Debtor, and may do so either in its own name or the name of Debtor. Debtor hereby grants Secured Party the right to endorse its name to all forms of commercial paper in the event Secured Party elects to collect said accounts.

ARTICLE 4. INTERPRETATION AND ENFORCEMENT

Notice

Section 4.01. Any notice, request, demand, or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United States mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed:

- a) In the case of Debtor, to:
Allan Rosman, President
DynaPump, Inc.
9321 Melvin Ave.
Northridge, California 91324

Or such other person or address as Debtor may from time to time furnish to Secured Party for the purpose.

- b) In the case of Secured Party to:
U.S. Escrow Services, Inc.
7860 E. Berry Place, Suite 202
Greenwood Village, CO 80111

Or such other person or address as Secured Party may from time to time furnish to Debtor for the purpose.

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Execution of Further Documents

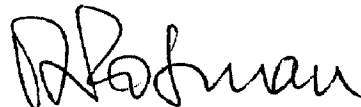
Section 4.02. Debtor shall execute any and all documents which Secured Party shall deem necessary to perfect the security interest granted herein.

Controlling Law

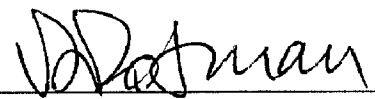
Section 4.03. The validity, interpretation, and performance of this agreement shall be controlled by and construed under the laws of the State of Colorado.

Executed on July 10th, 2001 at Northridge, CA.

Debtor



Allan Rosman, Individually

DynaPump, Inc.


By: Allan Rosman, as President

SECURED PARTY

U.S. ESCROW SERVICES, INC.


By: JANEL K. BRYAN, President

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