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Form PTO-1595  
(Rev. 03/01)

FINANCE SECTION

RECORDATION FORM COVER SHEET

PATENTS ONLY

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

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

1. Name of conveying party(ies):  
AimRite Holdings Corporation

3-14-02

2. Name and address of receiving party(ies)

Name: Mary Kay Koldeway, as Trustee of  
the Kenmar Company Trust, UDT April 15, 1994  
Internal Address: \_\_\_\_\_Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
- ☒ Security Agreement ☐ Change of Name
- ☐ Other \_\_\_\_\_

Street Address: 404 North Granados

Avenue \_\_\_\_\_

City: Solana Beach State: CA Zip: 92075Execution Date: February 14, 2002Additional 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) 09/439,106;09/439,109B. Patent No.(s) 4,722,548; 4,634,142;5,529,152; 5,735,372; 6,296,091Additional numbers attached? ☐ Yes ☒ No

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

Name: Katherine Hoffman, Esq.

Internal Address: \_\_\_\_\_

Street Address: 600 West Broadway, Suite2600City: San Diego State: CA Zip: 921016. Total number of applications and patents involved: 77. Total fee (37 CFR 3.41).....\$ 280.00☒ Enclosed☐ Authorized to be charged to deposit account

8. Deposit account number:

50-0886

DO NOT USE THIS SPACE

9. Signature.

03/29/2002 DBYRNE 00000159 09439106

Katherine M. Hoffman  
Name of Person Signing

Signature

Date

Total number of pages including cover sheet, attachments, and documents: 1Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231

## SECURITY AGREEMENT

**AIMRITE HOLDINGS CORPORATION**, a Nevada corporation with its principle place of business located at 525 Stevens Ave., Solana Beach, CA 92075, hereafter called "DEBTOR," and **MARY KAY KOLDEWAY**, as Trustee of the Kenmar Company Trust, UDT April 15, 1994, hereafter called "SECURED PARTY," agree as follows:

### **I. CREATION OF SECURITY INTEREST**

DEBTOR hereby grants to SECURED PARTY a security interest in the personal property described below to secure the performance and payment of that certain Promissory Note, of even date herewith, in the amount of \_\_\_\_\_ for Debtor to Secured Party (the "Note").

### **II. COLLATERAL**

The Collateral of this Security Agreement is the following described personal property situated in San Diego County, California or Clark County, Nevada, to wit:

**Any and all assets of the DEBTOR, now owned or hereafter acquired, including, but not limited to, proceeds thereof.**

in which Debtor (or Debtor's representatives, successors or assigns) now has, or at any time hereafter acquires, an interest, including but not limited to: (a) all proceeds arising from or by virtue of the sale, lease or other disposition of any of the Property described herein; (b) rentals, deposits and other sums as may become due Debtor as lessor under any leases, written or verbal, with respect to the Property (c) all replacements, betterments, substitutions and renewals of, and additions to, any of the Collateral; (d) all proceeds, including, without limitation, all condemnation or insurance proceeds arising out of or with respect to the Collateral.

### **III. DEBTOR'S OBLIGATIONS**

3.01 DEBTOR shall pay to SECURED PARTY any sum or sums due or which may become due pursuant to the Note now or hereafter executed by DEBTOR to evidence DEBTOR's indebtedness to SECURED PARTY, in accordance with the terms of the Note and the terms of this security agreement.

### **IV. DEBTOR REPRESENTS, WARRANTS AND AGREES THAT:**

4.01 All information supplied and statements made by DEBTOR in any accounting, credit, or financial statement or loan application prior to, contemporaneously with, or subsequent to the execution of this security agreement are and shall be complete, true, and correct in every material respect.

4.02 No financing statement covering the collateral or its process is on file in any public office. Except for the security interest granted in this security agreement, there is no lien, security interest or encumbrance in or on the collateral. DEBTOR is the owner of the collateral.

4.03 DEBTOR's chief place of business is the address shown at the beginning of this security agreement.

4.04 The Collateral will not be misused or abused, wasted or allowed to deteriorate, except for the ordinary wear and tear of its intended use, and it will not be used in violation of any statute or ordinance.

4.05 Upon the filing of a UCC form-1 with the Secretary of State of California SECURED PARTY shall hold a perfected Security interest in all of DEBTOR'S assets and proceeds thereof. DEBTOR will execute any financing statement or other instrument or document deemed necessary by SECURED PARTY to protect the security interest under this security agreement against the rights or interests of third persons.

4.06 DEBTOR hereby appoints SECURED PARTY as DEBTOR's attorney-in-fact, to do any and every act that DEBTOR is obligated by this security agreement to do, and to execute any and all papers and instruments to do all other things necessary to preserve and protect collateral and to protect SECURED PARTY's security interest in that collateral.

## **V. DEFAULT**

5.01 DEBTOR shall be in default under this security agreement upon the happening of any of the following events or conditions:

(a) DEBTOR's failure to pay when due any indebtedness secured by this security agreement, either principal or interest;

(b) Any warranty, representation, or statement made or furnished to SECURED PARTY by or on behalf of DEBTOR proves to have been false in any material respect when made or furnished;

(c) Default in the performance of any obligation, covenant or liability contained or referred to in this Security Agreement;

(d) Loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the collateral, or the making of any levy, seizure or attachment of or on the collateral;

(e) Dissolution, termination of existence, appointment of a receiver for any part of the collateral, assignment for the benefit of creditors, or the commencement of any proceedings under any bankruptcy or insolvency law by or against DEBTOR;

## **VI. RIGHTS IN EVENT OF DEFAULT**

6.01 Upon the occurrence of an event of default, and at any time thereafter, SECURED PARTY may declare all obligations secured hereby immediately due and payable and shall have the rights and remedies of a secured party under the Uniform Commercial Code of Nevada, including without limitation to those rights and remedies, the right to sell, lease or otherwise dispose of any or all of the collateral, and the right to take possession of the collateral, and for such purposes SECURED PARTY may enter upon any premises on which the collateral or any part the collateral may be situated and remove the same from the premises. SECURED PARTY may require DEBTOR to assemble the collateral and make it available to SECURED PARTY at a place to be designated by SECURED PARTY that is reasonably convenient to both parties. Unless the collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, SECURED PARTY will send or otherwise make available to DEBTOR reasonable notice of the time and place of any public sale the collateral or of the time after which any private sale or other disposition the collateral is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to DEBTOR at the address designated at the beginning of this security agreement, or if notice is otherwise posted on the door of the association or any public place, at least five (5) days before the time of the sale or disposition. It is expressly understood and agreed by DEBTOR that SECURED PARTY's right to take possession of the collateral upon the happening of the events of default specified in this agreement may be exercised without resort to any court proceeding or judicial process whatever, and without any hearing whatever. In this connection, DEBTOR expressly waives any right to any judicial process or to any hearing prior to the exercise of SECURED PARTY's right to take possession of the collateral upon the happening of any such events of default. Expenses of re-taking, holding, preparing for sale, selling, or the like shall include SECURED PARTY's reasonable attorney's fees and legal expenses, plus interest thereon at the rate of eight percent (8%) per annum. DEBTOR shall remain liable for any deficiency.

6.02 SECURED PARTY may remedy any default and may waive any default without waiving the default remedied or without waiving any other prior or subsequent default.

6.03 The remedies of SECURED PARTY are cumulative, and the exercise of any one or more of the remedies provided for shall not be construed as a waiver of any of the other remedies of SECURED PARTY.

## **VII. ADDITIONAL AGREEMENTS**

7.01 The term "DEBTOR" as used in this instrument includes the successors, representatives, receivers, trustees and assigns of those parties.

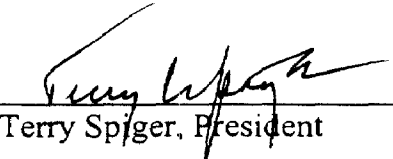
7.02 Terms used in this security agreement that are defined in the Nevada Uniform Commercial Code are used with the meanings as therein defined.

7.03 The law governing this secured transaction shall be that of the State of Nevada in force at the date of this security agreement.

EXECUTED this 14<sup>th</sup> day of FEBRUARY, 2002.

DEBTOR: AIMRITE HOLDINGS CORPORATION

By:

  
Terry Spiger, President

STATE OF CALIFORNIA

ss.

COUNTY OF SAN DIEGO

On February 14, 2002, before me, the below named Notary Public, personally appeared Terry Spiger, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity on behalf of AIMRITE HOLDINGS CORPORATION, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

\_\_\_\_\_  
(SEAL)