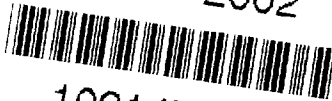


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U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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

1. Name of conveying party(ies): RYDEX, LTD. AN IOWA CORPORATION & MICHAEL C. RYAN Additional name(s) of conveying party(ies) attached? Yes No

07/02/02

2. Name and address of receiving party(ies) Name: FIRST STATE BANK OF COLFAX Internal Address:

3. Nature of conveyance: [] Assignment [] Merger [X] Security Agreement [] Change of Name [] Other

Street Address: 100 N. WALNUT ST.

City: COLFAX State: IA Zip: 50054

Execution Date:

Additional name(s) & address(es) attached? Yes [X] 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) 5, 204, 819

Additional numbers attached? Yes [X] No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: FIRST STATE BANK OF COLFAX Internal Address: Street Address: 100 N. WALNUT ST. City: COLFAX State: IA Zip: 50054

6. Total number of applications and patents involved: 1 7. Total fee (37 CFR 3.41): \$ 40.00 [X] Enclosed [] Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature. FIRST STATE BANK OF COLFAX BY THOMAS J. DENTEL, PRESIDENT Name of Person Signing Signature Date 7-01-02

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

Mail documents to be recorded with required cover sheet information to: Commissioner of Patents & Trademarks, Box Assignments Washington, D.C. 20231

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PATENT REEL: 013045 FRAME: 0786

BUSINESS SECURITY AGREEMENT

1. A. PARTIES-COLLATERAL - The undersigned Debtors (hereinafter collectively with Co-Debtor, if any, called "Debtor"), jointly and severally, for value received hereby grant to FIRST STATE BANK OF COLFAX (hereinafter called "Bank") a security interest in the following paragraphs checked below:

- All of Debtor's accounts, general intangibles and contract rights
- All of Debtor's instruments, chattel paper and documents
- All of Debtor's inventory
- All of Debtor's furniture, machinery and equipment including but not limited to motor vehicles, trucks and trailers
- All of Debtor's fixtures on property described below
- Other property described as ALL PATENTS APPLIED FOR, PATENTS PENDING, AND PATENTS APPROVED, INCLUDING BUT NOT LIMITED TO PATENT: PASSIVE TRANSPONDER PATENT NO. 5,204,819, APRIL 20, 1993 AND PATENT PENDING: DATA EXCHANGE PATENT APPLICATION SERIAL NO. 08/059,508.

B. And as additional collateral all additions to, products of, and replacements of all such collateral, and all accessories, acccessions, parts and equipment now or hereafter affixed thereto or used in connection therewith and the proceeds from all such collateral (including negotiable or non-negotiable warehouse receipts now or hereafter issued for storage of collateral). If this agreement includes fixtures, it is and will be located on the following described property:

118 CENTER AVE. NORTH, MITCHELLVILLE, IA 50169, POLK County, Iowa, (If additional space is needed, see attached schedule and check here). If other than Debtor, the record owner of the real estate described is MICHAEL C. RYAN

All collateral described in subparagraphs A & B above is referred to in this Agreement collectively as the "Collateral" and shall include all such Collateral wherever located and whether now owned or hereafter acquired.

2. REPRESENTATIONS AND WARRANTIES OF DEBTOR - Debtor represents and warrants that the extension of credit secured by this Agreement is for business or commercial purposes, or is to an organization, and is therefore an exempt transaction under the Federal Truth-in-Lending Act and not subject to the Iowa Consumer Credit Code, shall be deemed continuously to represent and warrant that: (a) Debtor is the owner of the Collateral free of all security interests or other encumbrances, other than the security interest created by this Agreement and

(b) Debtor is authorized to enter into this Agreement; (c) Debtor is engaged in business operations and Debtor's business is carried on at the address specified below; and (d) the Collateral is and will be located at the address specified below, or, if not, at _____

3. OBLIGATIONS SECURED - This Agreement is continuing until specifically terminated in writing by Bank and the security interest granted herein is given to secure the performance on the covenants and agreements herein set forth and the payment of the indebtedness evidenced by the promissory note(s) or other instruments executed by Debtor to the order of the Bank and any other indebtedness of Debtor to Bank, whether now existing or hereafter incurred, of every kind and character, direct or indirect, whether as maker, endorser, guarantor or surety and whether such indebtedness is from time to time reduced and thereafter increased or entirely extinguished and thereafter reincurred, including without limitation, any sums advanced by Bank in performance of Debtor's obligations hereunder, any license fees, insurance, and repairs with respect to the Collateral, and any attorney fees and other charges and expenses incurred in the collection of the obligations secured hereby or to enforce and protect any rights in the Collateral; provided, however, that indebtedness incurred in a "Consumer Credit Transaction" as defined in the Iowa Consumer Credit Code shall not be secured by this Agreement.

If more than one person signs this Security Agreement, each of the undersigned individuals acknowledge and agree that the interest of each of us in the collateral described above shall stand as security and collateral for any indebtedness, direct or contingent, that Bank or its assignee may now hold or in the future acquire, made or incurred by both of us jointly, or made or incurred by either one of us separately and independently of the other, without the necessity of obtaining the consent, co-signature or acknowledgement of the other on any such other indebtedness or obligation and whether made or incurred with or without my knowledge.

4. ACCELERATION OF OBLIGATIONS AND DEFAULT - Upon the occurrence of any of the following events, Bank may, at its option, with or without notice, declare the whole unpaid balance of any obligation secured by this Agreement immediately due and payable and may declare Debtor to be in default under this Agreement, said events being as follows: (a) Debtor fails to make timely payments on any obligation secured hereby; (b) Debtor fails to observe any other covenant, promise or condition agreed to be by Debtor performed in any paragraph of this Agreement or any other note, obligation or agreement with the Bank; (c) Debtor or Debtor's agent gave or furnished to Bank a false statement, representation or warranty in a material respect; (d) Debtor dies or fails in business, or if there occurs the dissolution or termination of the existence of Debtor's business; or if any proceedings under any bankruptcy or insolvency law by or against the Debtor or by or against any guarantor or surety hereon for the Debtor is commenced; or if the Debtor shall make an assignment for the benefit of creditors; (e) occurrence of loss, theft, damage or destruction of the Collateral not covered by adequate insurance containing a loss payable clause for the protection of Bank; (f) Bank believes itself insecure.

5. THIS SECURITY AGREEMENT SPECIFICALLY INCLUDES ALL THE ADDITIONAL PROVISIONS SET FORTH ON THE REVERSE SIDE HEREOF, THE SAME BEING INCORPORATED HEREIN BY REFERENCE.

Debtor authorizes secured party to file a copy of this Security Agreement with appropriate authorities at any time after signature by the Debtor as a financing statement to perfect the secured party's agreement. Debtor acknowledges receipt of a copy of this instrument.

In witness whereof the Debtor has executed and delivered this Agreement on the date first above written.

ADDRESS OF DEBTOR

NUMBER AND STREET OR RURAL ROUTE	118 CENTER AVENUE NORTH		
CITY	MITCHELLVILLE		
COUNTY, STATE, ZIP CODE	POLK	IOWA	50169

NAME OF CORPORATION, PARTNERSHIP OR ORGANIZATION			
RYDEX, LTD.			
SIGNATURE	TITLE	SOCIAL SECURITY NUMBER	
TYPE NAME			
MICHAEL C. RYAN, PRESIDENT			
SIGNATURE	TITLE	SOCIAL SECURITY NUMBER	
TYPE NAME			
PATENT			