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Form PTO-1595 (Rev. 03/01)

RE

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

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): Steven P. Royall, D.P.M.

3-31-03

2. Name and address of receiving party(ies)

Name: Clayton, Howarth & Cannon, P.C.

Internal Address:

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Street Address: 1225 East Fort Union Boulevard Suite 300

City: Midvale State: UT Zip: 84047

Execution Date: 7 Jan 03

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) 09/828,380

B. Patent No.(s)

Additional numbers attached? Yes No

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

Name: Grant R. Clayton

Internal Address: Clayton, Howarth & Cannon, PC

Street Address: P.O. Box 1909

City: Sandy State: UT Zip: 84091

6. Total number of applications and patents involved: 1

7. Total fee (37 CFR 3.41).....\$ 40.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

50-0836

FINANCE SECTION
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RECORDS

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9. Signature.

Grant R. Clayton

Name of Person Signing

Signature

Date

24 Mar 03

Total number of pages including cover sheet, attachments, and documents: 4

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

Commissioner of Patents & Trademarks, Box Assignments Certificate of Deposit Under 37 C.F.R. § 1.8

Washington, D.C. 20231 hereby certify that this correspondence is being deposited with the United States Postal

Service as first class mail, postage prepaid, in an envelope addressed to Box ASSIGNMENTS, Washington, D.C. 20231, on the 24 day of March, 2003.

PATENT Grant R. Clayton, Registration No. 32,462

REEL: 013898 FRAME: 0850

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SECURITY AGREEMENT

AGREEMENT made as of January 7, 2003, between Steven P. Royall, D.P.M., 1060 East 100 South #207, Salt Lake City, Utah 84102, herein referred to as "debtor," and Clayton, Howarth, & Cannon, P.C., 1225 East Fort Union Boulevard, Suite 300, Midvale, Utah 84047, County of Salt Lake, State of Utah, herein referred to as "secured party."

In consideration of the credit extended to debtor by secured party and the mutual covenants and promises set forth herein, debtor and secured party agree as follows:

1 CREATION OF SECURITY INTEREST

Debtor hereby grants to secured party a security interest in the Collateral, described in Section Two of this Agreement, to secure the performance and payment of the Promissory Note dated January 7, 2003, between debtor and secured party; and all costs and expenses incurred by secured party in the collection and enforcement of the note and other indebtedness of debtor.

2. DESCRIPTION OF COLLATERAL

The collateral of this Security Agreement, herein referred to as collateral, consists of the following property:

Patents/Patent Applications

U.S. Patent Application Serial No. 09/828,380, filed April 6, 2001, for a CUSTOM ORTHOTIC SANDAL AND PROCESS FOR CONSTRUCTING, and in any divisions, continuations and continuations-in-part of said non-provisional application, or reissues or extensions of Letters Patent or Patents granted thereon, and in all corresponding applications filed in countries foreign to the United States, and in all patents issuing thereon in the United States and foreign countries.

3. DEBTOR'S OBLIGATIONS, GENERALLY

(a) Payment Debtor shall pay to secured party the sum evidenced by the above-mentioned note or any renewals or extensions thereof executed pursuant to this Security Agreement in accordance with the terms of such note.

(b) Warranties and Representations. Debtor warrants and covenants to the best of its knowledge that:

(1) The patent application identified above and any patent issuing therefrom described above are valid and enforceable;

(2) The patent application and any patent issuing therefrom as described above are free from any liens and security interests of any nature whatsoever;

(3) The patent application identified above and any patent issuing therefrom as described above will not be pledged, sold, assigned, licensed or transferred to any person other than secured party or in any way encumbered except to secured party without the secured party's prior written permission; and

(4) The office where debtor keeps the records of its patent applications and patents is at 1060 East 100 South #207 Salt Lake City, Utah 84102, County of Salt Lake, State of Utah.

(c) Performance of Agreement. Debtor shall perform all covenants and agreements set forth in this Security Agreement.

4. PROCEEDS OF COLLATERAL

Debtor hereby grants to secured party a security interest in and to the Collateral and in and to all proceeds of the Collateral, except that any proceeds in excess of (i) the payment required by the Promissory Note plus (ii) any further debt incurred by Steven P. Royall, D.P.M. to Clayton Howarth & Cannon, P.C. including reasonable legal service fees charged for the preparation of security documents and any action connected therewith, shall be given by Clayton Howarth & Cannon, P.C., to Steven P. Royall, D.P.M. This provision shall not be construed to mean that debtor is authorized to sell, lease, license or dispose of the collateral without the written consent of secured party, unless otherwise provided in this Agreement.

5. FINANCING STATEMENT

At the request of secured party, debtor will join in executing or will execute, as appropriate, all necessary financing statements, including UCC-1, in a form satisfactory to secured party. Debtor warrants that no financing statement or other agreement covering the collateral or any part thereof or any proceeds thereof is presently on file in any public office.

6. DEFAULT

On any failure of timely payment by debtor under the terms of the Promissory Note, and at any time thereafter, secured party may declare all obligations secured by this Agreement immediately due and payable. If debtor fails to pay when due any amount payable on the above-mentioned Promissory Note or on any other indebtedness of debtor secured by this Agreement or fails to observe or perform any of the provisions of this Agreement, debtor shall be notified of such failure in writing. If the failure is not cured within thirty (30) days after the written notice of failure to pay or perform, debtor shall then be in default and the secured party can then pursue its remedies against debtor. In order to cure a failure of payment if secured party elects for the entire balance with interest to be due and payable, debtor must pay the entire balance with interest.

7. REMEDIES

On any default by debtor, secured party may proceed to enforce payment and exercise any and all of the rights and remedies including reducing his claim to judgment, foreclosing on the security or otherwise enforcing his security interest as well as any and all other rights and remedies possessed by secured party. All remedies are cumulative and no action by secured party shall be deemed an election of remedies.

8. ASSIGNMENT

Concurrently with the execution of this Security Agreement, debtor will join in executing or will execute, as appropriate, an assignment conveying all right, title and interest to the collateral to the secured party. Said assignment to be held by the

secured party and recordable in the Patent and Trademark Office only in the event of default of the debtor.

9. GOVERNING LAW

The validity of this Security Agreement and any portion thereof shall be determined under and shall be construed according to the laws of the State of Utah.

10. SEVERABILITY

In the event that any one or more provisions of this Security Agreement shall for any reason be held to be invalid, illegal, or unenforceable, the same shall not effect any other provision of this Security Agreement, but this Security Agreement shall be construed as if such invalid, illegal, or unenforceable provision(s) had not been contained herein.

11. ASSIGNABILITY

This Security Agreement is fully assignable or transferable by Clayton, Howarth & Cannon, P.C., to any third party for any lawful purpose.

IN WITNESS WHEREOF, debtor and secured party have caused this Agreement to be executed by their authorized officers or agents on the date first above written.

DEBTOR: STEVEN P. ROYALL, D.P.M.

By: [Signature]

SECURED PARTY: CLAYTON, HOWARTH & CANNON, P.C.,

By: [Signature]

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the 7th day of January, 2003, personally appeared Steven P. Royall, D.P.M., known to me to be the person described and who signed the foregoing Security Agreement in my presence and acknowledged under oath before me that he has read the same and knows the contents thereof and that he executed the same as his free act and deed and for the purposes set forth therein.

Krista Leigh Beckstead
NOTARY PUBLIC
Residing at: West Jordan

My commission expires:

02/15/2005

STANDARD\K02

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