

03-26-2010



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To the Director of the U.S. Patent a

103592915

documents or the new address(es) below.

3/25/10

**1. Name of conveying party(ies)**

POLYROCK TECHNOLOGIES, L.L.C.

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

**2. Name and address of receiving party(ies)**

Name: FEATHERSTONE PETRIE DESISTO LLP

Internal Address: SUITE 2400S

Street Address: 600 17TH STREET

City: DENVER

State: COLORADO

Country: UNITED STATES OF AMERICA Zip: 80202-5424

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

**3. Nature of conveyance/Execution Date(s):**

Execution Date(s) DECEMBER 31, 2009

- Assignment  Merger
- Security Agreement  Change of Name
- Joint Research Agreement
- Government Interest Assignment
- Executive Order 9424, Confirmatory License
- Other

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

This document is being filed together with a new application.

A. Patent Application No.(s)

B. Patent No.(s)

6,607,683  
7,235,204  
7,306,757

Additional numbers attached?  Yes  No

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

Name: JAN FRIEND

Internal Address: FEATHERSTONE PETRIE DESISTO LLP  
SUITE 2400S

Street Address: 600 17TH STREET

City: DENVER

State: COLORADO Zip: 80202-5424

Phone Number: 303 626-7135

Fax Number: 303 626-7101

Email Address: jfriend@featherstonelaw.com

**6. Total number of applications and patents involved:** THREE (3)

**7. Total fee (37 CFR 1.21(h) & 3.41)** \$ 120.00

- Authorized to be charged to deposit account
- Enclosed
- None required (government interest not affecting title)

**8. Payment Information**

Deposit Account Number

Authorized User Name

**9. Signature:**

*John A. Desisto*  
Signature

March 23, 2010

Date

JOHN A. DESISTO  
Name of Person Signing

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

12

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:  
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 700, Washington, D.C. 20540-0700

## SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "**Agreement**") is effective December 31, 2009, and is made by PolyRock Technologies, L.L.C., a Colorado limited liability company ("**Debtor**") for the benefit of Featherstone Petrie DeSisto LLP ("**Secured Party**").

1. **Recitals.** Debtor is obligated to Secured Party pursuant to that certain promissory note of even date herewith in the original principal amount of ONE HUNDRED SIXTY THOUSAND DOLLARS (\$160,000.00) (the "**Promissory Note**"). In order to secure the full payment and performance by Debtor of its obligations, duties, expenses and liabilities under or in connection with the Promissory Note (collectively referred to herein as the "**Obligations**"), Debtor is entering into this Agreement for the benefit of Secured Party.

NOW, THEREFORE, in consideration of the recitals, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

2. **Pledge of Collateral and Grant of Security Interest.** Debtor does hereby unconditionally and irrevocably assign, pledge, convey, transfer, deliver, set over and grant unto Secured Party, its successors and assigns, as security for Debtor's complete and timely payment and performance of the Obligations, a continuing first priority security interest under the Uniform Commercial Code of the State of Colorado and the laws of the United States in the Collateral (as defined herein). Debtor hereby further grants to Secured Party all rights in the Collateral as are available to a secured party of such collateral under the Uniform Commercial Code of the State of Colorado (being the state of organization of Debtor) and the laws of the United States. For purposes of this Agreement "**Collateral**" shall mean the following:

(a) the United States patents owned by Debtor as set forth on Schedule A hereto (the "**Patents**");

(b) all U.S. patents granted to or filed by Debtor that are based upon or derived from the Patents or any applications therefor, including without limitation, extensions, renewals, continuations, continuations-in-part or divisional applications (the "**Future Patents**");

(c) all rights to sue for past, present or future infringements of the Patents and Future Patents;

(d) all proceeds, including without limitation, license royalties and proceeds of infringement suits, based on the Patents and Future Patents.

(e)

3. **Delivery to Secured Party.**

(a) Debtor authorizes the filing of (i) a UCC-1 Financing Statement suitable for filing in the State of Colorado with respect to the Collateral; and (ii) the documents necessary to record Secured Party's security interest with the United States Patent and Trademark Office.

(b) Debtor agrees to execute and to cause all other necessary parties, and any successors and assigns thereof, to execute and deliver to Secured Party such other agreements, instruments and documentation as Secured Party may reasonably request from time to time to effect the conveyance, transfer, and grant to Secured Party of each and all of Debtor's right, title and interest in and to the Collateral as security for the Obligations.

4. **Proceeds and Products of the Collateral; Distributions.**

(a) Unless and until there occurs an Event of Default (as defined herein), Secured Party agrees to forbear in exercising its right to receive all benefits pertaining to the Collateral, and Debtor shall be permitted to exercise all rights and to receive all benefits of the Collateral, including, without limitation, the right to exercise all voting, approval, consent and similar rights of Debtor pertaining to the Collateral, payments due under, proceeds, whether cash proceeds or noncash proceeds, and products of the Collateral and retain and enjoy the same, provided, however, that Debtor shall not cast any vote or give any approval, consent, waiver or ratification or take any action which would be inconsistent with or violate any provision of this Agreement.

(b) Debtor acknowledges and agrees with the Secured Party, that unless Secured Party otherwise consents, in Secured Party's sole discretion, Debtor shall not exercise any voting, approval, consent or other rights with respect to the Collateral at any time (i) after the occurrence of an Event of Default, and (ii) delivery of notice from Secured Party instructing Debtor not to exercise any such voting, approval, consent or other rights with respect to the Collateral.

(c) Upon or at any time after the occurrence of an Event of Default, Secured Party, at its option to be exercised in its sole discretion, may exercise all rights and remedies granted under this Agreement, including, without limitation, the right to require the obligors under the Collateral to make all payments due under and to pay all proceeds, whether cash proceeds or noncash proceeds, and products of the Collateral to Secured Party. Upon the giving of any such notice, the security constituted by this Agreement shall become immediately enforceable by the Secured Party, without any presentment, further demand, protest or other notice of any kind, all of which are hereby expressly and irrevocably waived by Debtor. Debtor hereby authorizes and directs each respective obligor under the agreements constituting the Collateral, that upon receipt of written notice from Secured Party of an Event of Default by Debtor hereunder, to assign, set over, transfer, distribute, pay and deliver any and all Collateral or said payments, proceeds or products of the Collateral to Secured Party, at such address as Secured Party may direct, at such time and in such manner as Collateral and such payments, proceeds and products of the Collateral would otherwise be distributed, transferred, paid or delivered to any Debtor. The respective obligors under the agreements constituting the Collateral shall be entitled to conclusively rely on such notice and make all such assignments and transfers of the Collateral and all such payments with respect to the Collateral and pay all such proceeds and products of the Collateral to Secured Party and shall have no liability to Debtor for any loss or damage Debtor may incur by reason of said reliance.

5. **No Assumption.** Notwithstanding any of the foregoing, whether or not an Event of Default shall have occurred, and whether or not Secured Party elects to foreclose on its security interest in the Collateral as set forth herein, neither the execution of this Agreement, receipt by

Secured Party of any of Debtor's right, title and interest in and to the Collateral and the payments, proceeds and products of the Collateral, now or hereafter due to Debtor from any obligor of the Collateral, nor Secured Party's foreclosure of its security interest in the Collateral, shall in any way be deemed to obligate Secured Party to assume any of Debtor's obligations, duties, expenses or liabilities under the Collateral or any agreements constituting the Collateral, as presently existing or as hereafter amended, or under any and all other agreements now existing or hereafter drafted or executed (collectively, the "**Debtor's Liabilities**"), unless Secured Party otherwise agrees to assume any or all of Debtor's Liabilities in writing. In the event of foreclosure by Secured Party of its security interest in the Collateral, Debtor shall remain bound and obligated to perform Debtor's Liabilities and Secured Party shall not be deemed to have assumed any of Debtor's Liabilities, except as provided in the preceding sentence. If the entity or person acquiring the Collateral at a foreclosure sale elects to assume Debtor's Liabilities, such Secured Party shall agree to be bound by the terms and provisions of the applicable agreement.

6. **Indemnification.** Debtor hereby agrees to indemnify, defend and hold Secured Party, its successors and assigns harmless from and against any and all damages, losses, claims, costs or expenses (including reasonable attorneys' fees) and any other liabilities whatsoever that Secured Party or its successors or assigns may incur by reason of this Agreement or by reason of any assignment of Debtor's right, title and interest in and to any or all of the Collateral, other than any such damages, losses, claims, costs or expenses caused by the wrongful act or omission of the Secured Party or any of its affiliates.

7. **Representations, Warranties and Covenants.** Debtor makes the following representations and warranties, which shall be deemed to be continuing representations and warranties in favor of Secured Party, and covenants and agrees to perform all acts necessary to maintain the truth and correctness, in all material respects, of the following:

(a) Debtor is the owner of and has good, indefeasible, and merchantable title to the Collateral; the Patents are subsisting and no part thereof has been adjudicated invalid or unenforceable, in whole or in part; each patent is valid and enforceable; the Patents are the only U.S. Patents, patent applications, registrations, inventions and designs in which Debtor has any or all right, title and interest. Debtor has the full right and title to its interest in the Collateral pledged by it hereunder, and has the full power, legal right and authority to pledge, convey, transfer and assign such interest. None of the Collateral is subject to any existing or subsequent assignment, claim, lien, pledge, transfer or other security interest of any character, or to any attachment, levy, garnishment or other judicial process or to any claim for set-off, counterclaim, deduction or discount, except pursuant to this Agreement. Debtor shall not, without the prior written consent of Secured Party, which consent may be granted or denied in Secured Party's sole discretion, further convey, transfer, set over or pledge to any party any of its interests in the Collateral. Debtor agrees to (i) warrant and defend its title to the Collateral pledged by it hereunder and the security interest created by this Agreement against all claims of all persons (other than Secured Party and persons claiming through Secured Party), (ii) maintain and preserve the Collateral and such security interests; and (iii) renew all items of collateral. Without limiting the generality of the foregoing, Debtor shall not permit the abandonment of any application for any of the Patents and Future Patents or the expiration prior to the end of the maximum term provided by applicable law of any Patent or Future Patent without the written consent of Secured Party. Debtor shall immediately notify Secured Party if any aspect of the

Collateral is threatened with or is subject to legal or administrative proceedings. If before the Obligations have been satisfied in full, Debtor obtains any rights under any patent, patent application, registration, invention or design, whether in the United States, a foregoing country or under international treaty, whether or not considered Future Patents the provisions of this agreement shall automatically apply thereto and Debtor shall give Secured Party prompt notice thereof in writing.

(b) Debtor is a limited liability company duly organized, validly existing and in good standing under the laws of Colorado, is duly qualified to do business in every other jurisdiction where the nature of its activities requires such qualification, has all requisite power and authority, corporate or otherwise, to conduct its businesses, to own its properties, to execute, deliver, and perform all of its obligations under, the Promissory Note and this Agreement. The execution, delivery and performance by the Debtor of the Promissory Note or this Agreement have been duly authorized by all necessary action and do not and will not (i) require any consent or approval of the members of the Debtor which has not been obtained or (ii) violate any provision of the Articles of Organization, as amended or Operating Agreement, of Debtor.

(c) The execution, delivery and performance by Debtor of the Promissory Note or this Agreement do not and will not (i) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to Debtor, (ii) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease or instrument to which Debtor is a party or by which Debtor or Debtor's properties may be bound or affected, or (iii) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever on any assets or properties of Debtor, except in favor of Secured Party.

(d) All financial information of Debtor furnished to Secured Party, fairly presents the financial condition of Debtor as of the date thereof, in all material respects, and since such date, there has been no material adverse change in such condition and there has been no declaration or payment of dividends or profit distributions (excluding salary or other payments for services rendered) to any members of Debtor except as expressly permitted by this Agreement. Debtor shall not make any dividend payment or member distributions (excluding salary or other payments for services rendered) whatsoever to the members of Debtor without the prior written consent of Secured Party. Within 45 days after June 30 and within 120 days after the end of each fiscal year of Debtor, Debtor shall deliver to Secured Party complete financial statements of the Debtor including a balance sheet, profit and loss statement, statement of cash flows and all other related schedules for the fiscal period then ended. Debtor shall provide such other records and financial information as Secured Party may reasonably request from time to time.

(e) Except as disclosed to Secured Party in writing, there are no actions, suits or proceedings pending or, to the knowledge of Debtor, threatened against or affecting Debtor or any properties or assets of Debtor before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

(f) Debtor has filed all tax returns (Federal, state and local) required to be filed and paid all taxes shown thereon to be due, including interest and penalties.

(g) Debtor shall not, without at least thirty (30) days' prior written notification to Secured Party, move or otherwise change its principal place of business or change its state of organization.

(h) Debtor shall not exercise any voting rights, or give any approvals, consents waiver or other ratifications in respect to the Collateral which would violate or contravene, or which would cause or otherwise authorize Debtor to violate or contravene, any provision of this Agreement.

8. **Event of Default.** Each of the following shall constitute an Event of Default hereunder:

(a) An event of default shall have occurred under the Promissory Note;

(b) Any warranty, representation or statement of Debtor in this Agreement or the Promissory Notes proves to have been false in any material respect when made or furnished;

(c) There occurs the issuance of a writ, order of attachment or garnishment with respect to any of the Collateral and such writ, order of attachment or garnishment is not dismissed and removed within fifteen (15) days thereafter; or

(d) A breach or violation of any covenant or agreement contained herein shall have occurred.

9. **Remedies.**

(a) Upon the occurrence of an Event of Default, Secured Party may, by giving notice of such Event of Default, at its option, do any one or more of the following:

(i) Declare all of the Obligations secured hereby to be immediately due and payable, whereupon all unpaid principal and interest on said Obligations and other amounts declared due and payable shall become immediately due and payable without presentment, demand, protest or notice of any kind; and

(ii) Take possession of all or any of the Collateral, collect, and apply against the Obligations, all payments due, proceeds, whether cash proceeds or noncash proceeds, and products from any obligor under the agreements constituting the Collateral, that would otherwise be paid to Debtor; and

(iii) Either personally, or by means of a court appointed receiver, take possession of all or any of the Collateral and exclude therefrom Debtor and all others claiming under Debtor, and thereafter exercise all rights and powers of Debtor with respect to the Collateral or any part thereof. If Secured Party demands, or attempts to take possession of any of the Collateral in the

exercise of any rights under this Agreement, Debtor promises and agrees to promptly turn over and deliver complete possession thereof to Secured Party; and

(iv) Without notice to or demand upon Debtor, make such payments and do such acts as Secured Party may deem necessary to protect its security interest in the Collateral, including, without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior to or superior to the security interest granted hereunder, and in exercising any such powers or authority to pay all expenses incurred in connection therewith; and

(v) Require Debtor to take all actions necessary to deliver such Collateral to Secured Party, or an agent or representative designated by it. Secured Party, and its agents and representatives, shall have the right to enter upon any or all of Debtor's premises and property to exercise Secured Party's rights hereunder; and

(vi) Foreclose upon this Agreement as herein provided or in any manner permitted by law, and exercise any and all of the rights and remedies conferred upon Secured Party in any other document executed by Debtor in connection with the Obligations secured hereby, either concurrently or in such order as Secured Party may determine; and sell or cause to be sold in such order as Secured Party may determine, as a whole or in such parcels as Secured Party may determine, the Collateral, without affecting in any way the rights or remedies to which Secured Party may be entitled under the other such instruments; and

(vii) Sell or otherwise dispose of the Collateral at public sale, without having the Collateral at the place of sale, and upon terms and in such manner as Secured Party may determine. Secured Party may be a purchaser at any sale; and

(viii) Exercise any remedies of a secured party under the Uniform Commercial Code of the State of Colorado or any other applicable law;

(ix) The rights granted to Secured Party under this Agreement are of a special, unique, unusual and extraordinary character. The loss of any of such rights cannot reasonably or adequately be compensated by way of damages in any action at law, and any material breach by Debtor of any of Debtor's covenants, agreements or obligations under this Agreement will cause Secured Party irreparable injury and damage. In the event of any such breach, Secured Party shall be entitled, as a matter of right, to injunctive relief or other equitable relief in any court of competent jurisdiction to prevent the violation or contravention of any of the provisions of this Agreement or to compel compliance with the terms of this Agreement by Debtor. The Secured Party is absolutely and irrevocably authorized and empowered by Debtor to demand specific performance of each of the covenants and agreements of Debtor in this Agreement. Debtor hereby irrevocably waives any defense based on the adequacy of any remedy at law which might otherwise be asserted by Debtor as a bar to the remedy of specific performance in any action brought by the Secured Party against Debtor to enforce any of the covenants or agreements of Debtor in this Agreement; and

(x) Secured Party shall have the right but shall in no way be obligated to bring suit in its own name to enforce the Patents and Future Patents and any license thereunder, in which event Debtor shall at the request of Secured Party do any and all lawful acts and execute any

and all proper documents required by Secured Party in aid of such enforcement and Debtor shall promptly, upon demand, reimburse and indemnify Secured Party or its agents for all costs and expenses incurred by Secured Party in the exercise of its rights under this section.

(b) 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 shall give Debtor at least ten (10) days' prior written notice of the time and place of any public sale of the Collateral subject to this Agreement or other intended disposition thereof to be made. Such notice shall be conclusively deemed to have been delivered to Debtor at the address set forth in paragraph 19(c) of this Agreement, unless Debtor shall notify Secured Party in writing of its change of its principal place of business and provide Secured Party with the address of its new principal place of business.

(c) The proceeds of any sale under Subparagraphs 9(a)(v) and (vi) above shall be applied as follows:

(i) To the repayment of the costs and expenses of retaking, holding and preparing for the sale and selling of the Collateral (including actual legal expenses and attorneys' fees) and the discharge of all assessments, encumbrances, charges or liens, if any, on the Collateral prior to the lien hereof (except any taxes, assessments, encumbrances, charges or liens subject to which such sale shall have been made);

(ii) To the payment of the whole amount then due and unpaid of the Obligations;

(iii) To the payment of all other amounts then secured hereby; and

(iv) The aggregate surplus, if any, shall be paid to the applicable Debtor in a lump sum, without recourse to Secured Party, or as a court or competent jurisdiction may direct.

(d) Secured Party shall have the right to enforce one or more remedies hereunder under this Agreement, successively or concurrently, and such action shall not operate to estop or prevent Secured Party from pursuing any further remedy which it may have, and any repossession or retaking or sale of the Collateral pursuant to the terms hereof shall not operate to release any Debtor until full payment of any deficiency has been made in cash.

(e) DEBTOR ACKNOWLEDGES THAT SECURED PARTY MAY BE UNABLE TO EFFECT A PUBLIC SALE OF ALL OR ANY PART OF THE COLLATERAL AND MAY BE COMPELLED TO RESORT TO ONE OR MORE PRIVATE SALES TO A RESTRICTED GROUP OF PURCHASERS WHO WILL BE OBLIGATED TO AGREE, AMONG OTHER THINGS, TO ACQUIRE THE COLLATERAL FOR THEIR OWN ACCOUNT, FOR INVESTMENT AND NOT WITH A VIEW TO THE DISTRIBUTION OR RESALE THEREOF. DEBTOR FURTHER ACKNOWLEDGES THAT ANY SUCH PRIVATE SALES MAY BE AT PRICES AND ON TERMS LESS FAVORABLE THAN THOSE OF PUBLIC SALES, AND AGREES THAT SUCH PRIVATE SALES SHALL BE DEEMED TO HAVE BEEN MADE IN A COMMERCIALY REASONABLE MANNER AND THAT SECURED PARTY HAS NO OBLIGATION TO DELAY SALE OF ANY COLLATERAL TO PERMIT THE ISSUER



THEREOF TO REGISTER IT FOR PUBLIC SALE UNDER THE SECURITIES ACT OF 1933. DEBTOR AGREES THAT SECURED PARTY SHALL BE PERMITTED TO TAKE SUCH ACTIONS AS SECURED PARTY DEEMS REASONABLY NECESSARY IN DISPOSING OF THE COLLATERAL TO AVOID CONDUCTING A PUBLIC DISTRIBUTION OF SECURITIES IN VIOLATION OF THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE, AS NOW ENACTED OR AS THE SAME MAY IN THE FUTURE BE AMENDED, AND ACKNOWLEDGES THAT ANY SUCH ACTIONS SHALL BE COMMERCIALY REASONABLE. IN ADDITION, DEBTOR AGREES TO EXECUTE, FROM TIME TO TIME, ANY AMENDMENT TO THIS AGREEMENT OR OTHER DOCUMENT AS SECURED PARTY MAY REASONABLY REQUIRE TO EVIDENCE THE ACKNOWLEDGMENTS AND CONSENTS OF DEBTOR SET FORTH IN THIS PARAGRAPH.

10. **Attorneys' Fees.** Debtor agrees to pay to Secured Party, without demand, reasonable attorneys' fees and all costs and other expenses which Secured Party expends or incurs in collecting any amounts payable by Debtor hereunder or in enforcing this Agreement against Debtor whether or not suit is filed.

11. **Further Acts.** Debtor hereby agrees to execute, from time to time, one or more financing statements and such other instruments as may be required to perfect the security interest created hereby, including filings with the United States Patent and Trademark Office and any continuation or amendments of such financing statements. Debtor shall have the duty, in any location where Debtor does business, to preserve and maintain all rights in the Patents. Any expenses incurred in connection with such applications shall be borne by Debtor.

12. **Waiver and Estoppel.** Debtor represents and acknowledges that Debtor knowingly waives each and every one of the following rights, and agrees that it will be estopped from asserting any argument to the contrary: (a) any promptness in making any claim or demand hereunder; (b) any defense that may arise by reason of the incapacity, lack of authority, death or disability of Debtor or the failure to file or enforce a claim against Debtor's estate (in administration, bankruptcy or any other proceeding); (c) any defense based upon an election of remedies by Secured Party which destroys or otherwise impairs any or all of the Collateral; (d) the right of Debtor to proceed against Secured Party or any other person, for reimbursement; and (e) all duty or obligation of the Secured Party to perfect, protect, retain or enforce any security for the payment of amounts payable by Debtor hereunder.

**TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY TO THIS AGREEMENT SEVERALLY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT OR COUNTERCLAIM BROUGHT BY ANY PARTY TO THIS AGREEMENT ARISING IN CONNECTION WITH, OUT OF OR OTHERWISE RELATING TO THIS AGREEMENT.**

No delay or failure on the part of Secured Party in the exercise of any right or remedy against Debtor or any other party against whom Secured Party may have any rights, shall operate as a waiver of any agreement or obligation contained herein, and no single or partial exercise by Secured Party of any rights or remedies hereunder shall preclude other or further exercise thereof or other exercise of

any other right or remedy whether contained in this Agreement or in any of the other documents regarding the Obligations. No waiver of the rights of Secured Party hereunder or in connection herewith and no release of Debtor shall be effective unless in writing executed by Secured Party. No actions of Secured Party permitted under this Agreement shall in any way impair or affect the enforceability of any agreement or obligation contained herein.

13. **Independent Obligations.** The obligations of Debtor are independent of the obligations of any other party which may be initially or otherwise responsible for performance or payment of the Obligations, and a separate action or actions for payment, damages or performance may be brought and prosecuted by Secured Party against Debtor, individually, for the full amount of the Obligations then due and payable, whether or not an action is brought against any other party, whether or not the Secured Party is involved in any proceedings and whether or not the Secured Party or Debtor or other person is joined in any action or proceedings.

14. **No Offset Rights of Debtor.** No lawful act of commission or omission of any kind or at any time upon the part of Debtor shall in any way affect or impair the rights of the Secured Party to enforce any right, power or benefit under this Agreement, and no set-off, recoupment, counterclaim, claim, reduction or diminution of any obligation or any defense of any kind or nature which Debtor has or may have against Secured Party or against any other party shall be available against Secured Party in any suit or action brought by Secured Party to enforce any right, power or benefit under this Agreement.

15. **Power of Attorney.** Debtor hereby appoints Secured Party as its attorney-in-fact to execute and file on its behalf any financing statements, continuation statements or other documentation required to perfect or continue the security interest created hereby. This power, being coupled with an interest, shall be irrevocable until all amounts secured hereby have been paid, satisfied and discharged in full.

16. **GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. SUCH PARTIES FURTHER AGREE THAT IN THE EVENT OF DEFAULT, THIS AGREEMENT MAY BE ENFORCED IN ANY COURT OF COMPETENT JURISDICTION IN THE STATE OF COLORADO AND THEY DO HEREBY SUBMIT TO THE JURISDICTION OF ANY AND ALL SUCH COURT REGARDLESS OF THEIR RESIDENCE OR WHERE THIS AGREEMENT MAY BE EXECUTED.**

17. **Successors and Assigns.** All agreements, covenants, conditions and provisions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

18. **Notice.** Any and all notices, requests, consents, or other communications occurring under this Agreement shall be in writing and shall be deemed received when deposited with any mailing and/or courier company for delivery. The mailing address and facsimile number of each of the parties is as follows:

If to Debtor: PolyRock Technologies, L.L.C.  
9800 Pyramid Court, Suite 200  
Englewood, CO 80112  
Telephone: 303 268-3605  
E-mail: jevans@polyrocktechnologies.com

If to Secured Party: Featherstone Petrie DeSisto LLP  
600 Seventeenth Street, Suite 2400  
Denver, Colorado 80202  
Attn: Jan Friend  
Telephone: (303) 626-7100  
Facsimile: (303) 626-7101  
E-mail: jfriend@featherstonelaw.com

19. **Consent of Debtor.** Debtor consents to the exercise by Secured Party of any rights of Debtor in accordance with the provisions of this Agreement.

20. **Severability.** Every provision of this Agreement is intended to be severable. If any term or provision hereof is declared by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

21. **Amendment.** This Agreement may be modified or rescinded only by a writing expressly relating to this Agreement and signed by all of the parties.

22. **Termination.** This Agreement shall terminate, and shall be of no further force or effect, upon the earlier to occur of the repayment in full of the Obligations of Debtor or upon the mutual consent of Debtor and Secured Party.

IN WITNESS WHEREOF, Debtor has executed this Agreement as of the date first above written.

**DEBTOR:**

**PolyRock Technologies, L.L.C.**

By: John R. Evans  
Name: John R. Evans  
Title: Managing Director

**SECURED PARTY:**

**Featherstone Petrie DeSisto LLP**

By: John A. Desisto  
Name: John A. Desisto  
Title: Partner

**SCHEDULE A**  
**Patents**

All issued Patents, including but not limited to:

Country:	Patent No.:	Issue Date:	Title:
USA	6,607,683	8/19/2003	Methods and Apparatus for Producing Manufactured Articles Having Natural Characteristics
USA	7,235,204	6/26/2007	Methods and Apparatus for Producing Manufactured Articles Having Natural Characteristics
USA	7,306,757	12/11/2007	Methods and Apparatus for Replicating Original Objects