

**PATENT ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT

**CONVEYING PARTY DATA**

Name	Execution Date
TechDyne, LLC	04/29/2009

**RECEIVING PARTY DATA**

Name:	HIOX Capital, LLC
Street Address:	10315 E. Shangri La Road
City:	Scottsdale
State/Country:	ARIZONA
Postal Code:	85260

**PROPERTY NUMBERS Total: 12**

Property Type	Number
Application Number:	61084369
Application Number:	61092176
Application Number:	61084413
Application Number:	61085126
Application Number:	61111372
Application Number:	61084454
Application Number:	61089428
Application Number:	61164815
Patent Number:	7331270
Patent Number:	6347575
Patent Number:	5239958
Patent Number:	7866249

**CORRESPONDENCE DATA**

Fax Number: (602)445-8100

*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*

**501522108**

**PATENT**  
**REEL: 026228 FRAME: 0329**

**CH \$480.00 61084369**

Phone: 602-445-8383  
Email: lusianm@gtlaw.com  
Correspondent Name: Gerald L. Fellows  
Address Line 1: 2375 E. Camelback Road  
Address Line 2: Suite 700  
Address Line 4: Phoenix, ARIZONA 85016

ATTORNEY DOCKET NUMBER:

119058.010100

NAME OF SUBMITTER:

Gerald L. Fellows

Total Attachments: 8

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## SECURITY AGREEMENT

This SECURITY AGREEMENT ("Agreement") dated as of April 29, 2009, is entered into between TechDyne, LLC, a Delaware limited liability company ("Company") and HIOX Capital, LLC ("Obligee").

Redacted

WHEREAS, Company is granting a security interest in favor of Obligee as herein provided;

NOW THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**1. Obligations.** This Agreement is executed by Company to secure performance of Company's obligations under the Note executed by Company and payable to the order of Obligee. The obligation of Company to make all payments under such Note, together with all costs of collection (if any) are collectively referred to in this Agreement as the "Obligations." The Obligations shall include all extensions, renewals, rearrangements, or modifications of the Note, if any.

**2. Grant of Security Interest.** The Company hereby grants to Obligee, to secure the payment and performance in full of all of the Obligations, a security interest in and so pledges and assigns to Obligee the following properties, assets and rights of the Company, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof (all of the same being hereinafter called the "Collateral"): See Exhibit A attached hereto.

**3. Title to Collateral.** The Company is the owner of the Collateral free from any adverse liens, security interests or other encumbrances, except for the security interest created by this Agreement. The Company shall execute and deliver to Obligee such financing statements and other documents in form satisfactory to Obligee and shall do all such acts and things as Obligee may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Note.

**4. Representations, Warranties and Affirmative Covenants.**

4.1 Representations, Warranties and Covenants of the Company. Company represents, warrants and covenants to Obligee that Company is a limited liability company, duly organized, validly existing and in good standing under the laws of its jurisdiction of organization. Company has the limited liability company power and authority to own and operate its properties and assets, to execute and deliver this Agreement and the Note to be issued in connection with this Agreement; to issue Company Units as provided in Section 7 below; and to carry out the provisions of this Agreement and the Note and to carry on its business as presently conducted.

*mw* *AK*  
*HJB*

4.2 **Financial Statements.** Company will deliver to Obligees annual, unaudited Company prepared financial statements covering Company's operations, certified by the Company's Chief Financial Officer, within 120 days of year-end, accompanied by an annual business report and compliance certificate. For 2009, the due date for the 2008 financial statements, business report, and certification shall be May 31, 2009.

4.3 **Protection of Collateral.** Company will (i) protect, defend and maintain the validity and enforceability of the intellectual property incorporated in the Collateral; (ii) promptly advise Obligees in writing of material infringement of the Company intellectual property, and (iii) not allow any intellectual property to be abandoned, forfeited or dedicated to the public without Obligees' written consent.

5. **Negative Covenants.** Borrower will not convey, sell, lease, assign, pledge, transfer or otherwise dispose of all or any the Collateral or any interest therein without Obligees' prior written consent, which consent will not be unreasonably withheld. To the extent commercially reasonable, and if in the best interest of Company, Company intends to license its technology, including the Collateral. Company will provide proposed license agreements to Obligees for review and consent, provided however that consent may only be withheld if such agreement is not an arms-length, or not a commercially reasonable transaction. Obligees shall be deemed to have consented to the license agreement if written objection is not provided to Company within five (5) days following Company's confirmed delivery of the proposed license agreement to Obligees.

6. **Use of Proceeds.** Company's use of the Note proceeds shall be as follows:

Redacted

6.2 **Remainder.** The remainder of the Loan shall be unrestricted and available for Company's general corporate purposes in Company's reasonable discretion.

**7. Issuance of Company Units.**

Redacted

7.3 **Voting Rights.** The rights, preferences, privileges and restrictions of the Units are as stated in Company's Operating Agreement. When issued in compliance with the provisions of this Agreement and Operating Agreement, the Securities will be validly issued, fully paid and nonassessable, and will be free of any liens or encumbrances; provided, however, that the Securities may be subject to restrictions on transfer under state and/or federal securities laws as set forth herein or as otherwise required by such laws at the time a transfer is proposed.

7.4 **Anti-Dilution.** If Company issues additional Company Units during the term of the Note, Company will issue additional Class D Non-voting Units to Obligees in an amount calculated to preserve Obligees' five percent (5.00%) ownership interest in the Company. Such additional future issuance will be limited to the preservation of Obligees' ownership interest at five percent (5.00%) during the term of the Note.

**8. Events of Default.** Company shall be in default of the Note and this Security Agreement upon the occurrence of any of the following Events of Default:

8.1 Company fails to pay any of its Obligations under the Note when due;

8.2 Company does not perform any material obligation in the Agreement or the Note, or violates any material covenant in this Agreement or the Note, and, as to such default has not remedied the default within thirty (30) days after receipt of written notice from Obligees informing Company of the specific events of default;

8.3 Any material portion of Company's assets is attached or seized pursuant to a final judgment or court order, or comes into possession of a trustee or receiver and the attachment, seizure or levy is not remedied in 60 days;

8.4 Company becomes insolvent or begins an insolvency proceeding, or an insolvency proceeding is begun against Company and not dismissed or stayed within 60 days; or

8.5 Dissolution or termination of existence of the Company.

**9. Rights and Remedies.** When an Event of Default occurs and continues Obligee may, to the extent necessary to protect Obligee's interest, do any or all of the following: (a) declare all Obligations immediately due and payable; (b) make any payments and do any acts necessary or reasonable to protect its security interest in the Collateral; (c) hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Company's right of redemption in satisfaction of the Company's obligations as provided in the Uniform Commercial Code of Arizona or (d) dispose of the Collateral according to the Uniform Commercial Code of Arizona. The net proceeds realized upon any such disposition, shall be applied in satisfaction of the obligations secured hereby. The Obligee will be obligated to reimburse the Company for any surplus realized upon such disposition and the Company shall remain liable for any deficiency.

**10. Notice.** Any and all notices required or permitted to be given hereunder shall be in writing and shall be deemed given and received (i) upon personal delivery, (ii) upon the first business day following the receipt of confirmation of facsimile transmission to the facsimile number as indicated below, or (iii) upon the third business day after deposit in the United States mail, by certified or registered mail, postage prepaid and addressed as follows:

To Obligee: HIOX Capital, LLC  
Mr. Mark Vange - Manager  
10315 E Shangri-La Rd  
Scottsdale, AZ 85260  
Fax Number: \_\_\_\_\_

To Company: TechDyne, LLC  
7702 East Doubletree Ranch Road  
Suite 300  
Scottsdale, AZ 85258  
Fax Number: 1.303.433.0619

**11. Governing Law.** Arizona law governs this Agreement and the Note without regard to principles of conflicts of law. Company and Obligee each submit to the exclusive jurisdiction of the state and Federal courts in Maricopa County, Arizona.

**12. General Provisions**

12.1 This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Neither party may assign this Agreement or any rights or Obligations under it without the other's prior written consent.

12.2 Time is of the essence for the performance of all obligations in this Agreement.

12.3 All amendments to this Agreement must be in writing signed by both Company and Oblige. This Agreement and the Note represent the entire agreement about this subject matter, and supersede prior or contemporaneous negotiations or agreements. All prior or contemporaneous agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Agreement and the Note merge into this Agreement and the Note.

12.4 This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, are an original, and all taken together, are one Agreement.

12.5 This Agreement shall terminate in its entirety upon (i) the written consent of the Company and Oblige, or (ii) the payment in full of all outstanding principal, unpaid interest and all other amounts due under the Note.

12.6 All covenants, representations and warranties made in this Agreement continue in full force while any Obligations remain outstanding.

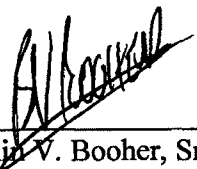
12.7 In handling any confidential information, Oblige will exercise the same degree of care that it exercises for its own proprietary information.

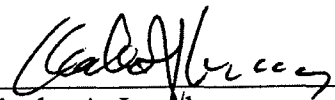
12.8 If any provision of this Agreement as applied to either party or to any circumstances shall be adjudged by a court to be void, voidable or unenforceable, the same shall in no way affect the other provisions of this Agreement which shall continue and remain in full force and effect.

12.9 No waiver or modification of this Agreement shall be effective unless in writing and signed by a Manager of Company and by Oblige.

BORROWER:

TechDyne, LLC

By:   
Benjamin V. Booher, Sr.  
President and CTO

By:   
Charles A. Josephans  
Chief Operating Officer and CFO

OBLIGEE:

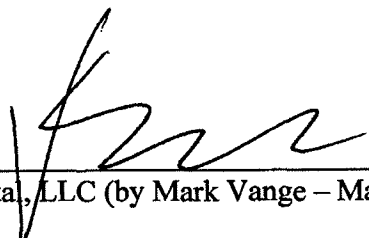
  
HIOX Capital, LLC (by Mark Vange – Manager)

Exhibit A

COLLATERAL DESCRIPTION

ISSUED PATENTS:

1. United States Patent No. US 7,331,270 – PULTRUDED NON-METALLIC DAMAGE-TOLERANT HARD BALLISTIC LAMINATE AND METHOD OF MANUFACTURE THEREOF (February 19, 2008) Inventor: Benjamin V. Booher, Assignee: TechDyne LLC
2. United States Patent No. US 6,347,575 B1 – LOW EMISSION PISTON AND RING FOR INTERNAL COMBUSTION ENGINE (February 19, 2002) Inventor: Benjamin V. Booher, Assignee: TechDyne LLC
3. United States Patent No. US 5,239,958 – DELAY STROKE PISTON AND ROD FOR ENGINE (August 31, 1993) Inventor: Benjamin V. Booher, Assignee: TechDyne LLC

UTILITY PATENT APPLICATIONS:

1. Divisional Application Serial No. 11/774,818 – BALLISTIC LAMINATE AND METHOD OF MANUFACTURE (July 9, 2007) Inventor: Benjamin V. Booher, Assignee: TechDyne LLC

PROVISIONAL PATENT APPLICATIONS:

1. 1. Provisional Patent Application Serial No. 61/084,369 – BALLISTIC LAMINATE AND METHOD OF MANUFACTURE (July 29, 2008) Inventor: Benjamin V. Booher, Assignee: TechDyne LLC
2. Provisional Patent Application Serial No. 61/092,176 – BALLISTIC LAMINATE AND METHOD OF MANUFACTURE #2 (August 27, 2008) Inventor: Benjamin V. Booher, Assignee: TechDyne LLC
3. Provisional Patent Application Serial No. 61/084,413 – NON-RIFLED FIREARM SYSTEM (July 29, 2008) Inventor: Benjamin V. Booher, Assignee: TechDyne LLC
4. Provisional Patent Application Serial No. 61/085,126 – COMPOSITE AIRCRAFT WING AND METHOD OF MANUFACTURE (July 31, 2008) Inventor: Benjamin V. Booher Assignee: TechDyne LLC

CONTINUED ON NEXT PAGE





5. Provisional Patent Application Serial No. 61/088,922 – FLUID MOTION ENERGY CONVERTER (August 15, 2008) Inventor: Benjamin V. Booher, Assignee: TechDyne LLC
6. Provisional Patent Application Serial No. 61/111,372 – FLUID MOTION ENERGY CONVERTER #2 (November 5, 2008) Inventor: Benjamin V. Booher, Assignee: TechDyne LLC
7. Provisional Patent Application Serial No. 61/084,454 – CERVICAL STABILIZATION DEVICE (July 29, 2008) Inventor: Benjamin V. Booher, Assignee: TechDyne LLC
8. Provisional Patent Application Serial No. 61/089,428 – CERVICAL STABILIZATION DEVICE #2 (August 15, 2008) Inventor: Benjamin V. Booher, Assignee: TechDyne LLC
9. Provisional Patent Application Serial No. 61/164,815 – CERVICAL STABILIZATION DEVICE #3 (March 30, 2009) Inventor: Benjamin V. Booher, Assignee: TechDyne LLC

ADDITIONAL TECHNOLOGIES ASSIGNED BY BOOHER TO TECHDYNE:

1. BRAKE SYSTEM AUGMENTATION & REACCELERATION DEVICE FOR MOTOR VEHICLES, TRAILERS, RAILCARS, MACHINERY & POWER EQUIPMENT (BARD) – Provisional Patent Application to be filed April 2009.



EXHIBIT B  
Use of Proceeds – TechDyne Deliverables

Composite Armor Program

- Complete patent filings in U.S. relating to divisional and provisional filings.
- Reserve foreign filing licenses and /or file selected foreign patents.
- Produce and test prototyped armor panels.
- Prepare commercialization plan and marketing presentation.

Composite Aircraft Wing Program

- Complete patent filings in the U.S. relating to provisional filings.
- Reserve foreign filing licenses and /or file selected foreign patents.
- Prepare prototype development plan, source vendors and develop cost estimates.

Cervical Stabilization Device Program

- Complete patent filings in the U.S. relating to provisional filings.
- Reserve foreign filing licenses and /or file selected foreign patents.
- Aggressively pursue TIP research grant program funding.
- Prepare commercialization plan and marketing presentation.
- Produce initial prototype.

Fluid Motion Energy Converter Program

- Complete patent filings in U.S. relating to provisional filings.
- Reserve foreign filing licenses and /or file selected foreign patents.
- Conduct independent research to document core performance characteristics.
- Aggressively pursue TIP research grant or similar research funding.
- Prepare prototype development plan, source vendors and develop cost estimate.
- Prepare commercialization plan and marketing presentation.

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*BUR*