

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT5144809

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST ON 50% OWNERSHIP INTEREST		
CONVEYING PARTY DATA			
Name			Execution Date
FLUX DRIVE INC			09/17/2018
RECEIVING PARTY DATA			
Name:	PHILIP CORBIN III		
Street Address:	23412 68TH AVE		
City:	KENT		
State/Country:	WASHINGTON		
Postal Code:	98032		
PROPERTY NUMBERS Total: 3			
Property Type	Number		
Patent Number:	7294947		
Patent Number:	7990007		
Patent Number:	8471422		
CORRESPONDENCE DATA			
Fax Number:	(305)675-4605		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	3058035168		
Email:	steve@miller-law-offices.com		
Correspondent Name:	THE MILLER LAW OFFICES PLC		
Address Line 1:	801 BRICKELL AVE		
Address Line 2:	STE 900		
Address Line 4:	CORAL GABLES, FLORIDA 33131		
ATTORNEY DOCKET NUMBER:	FD-SEC-PC-50%		
NAME OF SUBMITTER:	STEVEN J. MILLER, ESQ.		
SIGNATURE:	/Steven J Miller/		
DATE SIGNED:	09/17/2018		
Total Attachments: 6			
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SECURITY AGREEMENT

THIS SECURITY AGREEMENT is executed on the 17th day of September, 2018 by and between FLUX DRIVE, INC., a Washington State Corporation, "Borrower" and PHILIP CORBIN III, "Lender".

Recitals

- A. FLUX DRIVE, INC. ("Borrower"), are indebted to the Lender in the sum of \$373,000.00 (the "Loan") under a Consolidated, Amended and Restated Promissory Note executed on the same date as this Agreement.
- B. The Lender has required as a condition to making the Loan to the Borrower that (among other things) the Borrower execute this Security Agreement.

Agreement

NOW THEREFORE, in consideration of the foregoing recitals, the sum of \$10.00 in hand paid by the Lender to the Borrower, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and Lender hereby agree as follows:

- 1. Liability Secured. This Agreement is entered into as security for the following (hereinafter referred to as the "Liabilities"):
 - (a) the payment of the Loan evidenced by said Promissory Note in the amount of \$373,000.00, and every extension or renewal thereof; and
 - (b) all other indebtedness, obligations (including obligations of performance) and liabilities of the Borrower, or any of them, to the Lender of every kind, type and description whatsoever, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter incurred, contracted or arising, or acquired by the Lender from any source, joint or several, liquidated or unliquidated, regardless of how they arise or by what agreement or instrument they may be evidenced or whether they are evidenced by any agreement or instrument, and whether incurred as maker, endorser, surety, guarantor or otherwise, together with all interest thereon and any and all renewals and extensions of any of the same; and
 - (c) the Borrower's compliance with all stipulations, agreements, representations and warranties contained in this agreement.
- 2. Granting Clause. As security for the Loan, the Borrower do hereby grant, pledge, transfer, sell, assign, convey and deliver to the Lender, and do grant to the Lender a security interest in, all of the right, title and interest of such Borrower, in, to and under the following (hereinafter collectively referred to as the "Collateral"):

- (a) All machinery, equipment, furniture, furnishings, tools, tooling, fixtures, and accessories, and all inventory, accounts receivable, instruments, contract rights and other rights to receive the payment of money, Borrower's 50% ownership interest in its patents, trademarks, copyrights, trade secrets, chattel paper, licenses, royalties, leases and general intangibles, including all trade names and trade styles and all additions, accessions, modifications, improvements, replacements and substitutions thereto and therefor, whether now owned or hereafter acquired or arising, and the proceeds, products and income of any of the foregoing, including insurance proceeds.
3. Security The security granted by this agreement shall at all time be maintained at the Borrower's main office.
4. Warranties of Title, etc. The Borrower hereby: (a) covenant with the Lender, its successors and assigns, that the Borrower are the lawful and absolute owner of the Collateral, except that Borrower has a 50% ownership interest in its current patents, and has a good right to sell, assign, convey and grant a security interest in the same and that the Collateral is free and clear of all encumbrances and security interests (other than that of the Lender); (b) warrant and covenant to forever defend the title of the Collateral unto the Lender, its successors and assigns, against the claims of all person whomsoever, whether lawful or unlawful; (c) warrant that no financing statement covering any of the Collateral or any proceeds therefrom is on file at any public office; (d) agree, promptly upon request for the Lender to join with the Lender in executing one or more financing statements pursuant to the Uniform Commercial Code in form satisfactory to the Lender and to pay the cost of filing the same in all public offices wherever filing is deemed necessary or prudent by the Lender; (e) authorize the Lender to correct any and all patent errors in the typewritten or handwritten portion of this agreement or any documents executed in connection herewith; and (f) agree to pledge, assign, and deliver to the Lender any additional certificates, instruments, securities and documents hereafter constituting part of the Collateral immediately upon the acquisition thereof by the Borrower.
5. Taxes and Assessments. The Borrower agree to pay all taxes, rents, assessments and charges levied against the Collateral and all other claims that are or may become liens against the Collateral, or any part thereof, and should default be made in the payment of the same, the Lender, as its option, may pay the same.
6. Collection of Collateral. At any time, upon notice to the Borrower, the Lender may notify the Borrower to make all payments and distributions in connection with the Collateral, whether in cash or other assets, directly to the Lender and to accept the receipt of the Lender therefor. In the event that, after such notice has been given, either of the Borrower receive monies due under or in connection with the Collateral, such Borrower(s) shall forthwith pay over and deliver the same to the Lender in the identical form received and until so paid over and delivered shall hold the same in trust for the Lender and shall not commingle the same with any funds or assets of such Borrower.

The Borrower agree promptly upon demand by the Lender to take any and all further actions and execute any and all further documents required by the Lender of the Borrower in order to effect immediate payment of such amounts, properties and assets to the Lender. The Borrower hereby constitute and appoint the Lender, and any other person designated by the Lender as the agent and attorney-in-fact of such Borrower, at Borrower's cost and expense, to exercise at any time all of the following powers, all of which powers, being coupled with an interest, shall be irrevocable until the liabilities secured hereby have been fully discharged: (a) to receive, take, endorse, assign, deliver in the Lender's name or in the name of the Borrower any and all checks, notes, drafts, and other instruments relating to the Collateral; (b) to transmit to the Borrower notice of the Lender's interest in the Collateral and to demand and receive for the Borrower at any time, in the name of the Lender or of the Borrower or of the designate of the Lender, information concerning the Collateral and the amounts owing thereon; (c) to notify the Borrower to make payments on the Collateral directly to the Lender; and (d) to take or to bring in the name of the Lender or in the name of the Borrower all steps, action, suits or proceedings deemed by the Lender necessary or desirable to effect collection of the Collateral. All acts of such attorney-in-fact or designee taken pursuant to this Section 7 or Section 13 are hereby ratified and approved by each of the Borrower, and said attorney or designee shall not be liable for any acts or omissions nor for any error of judgment or mistake of fact or law.

7. Waiver of Exemption, etc. As against the Liabilities the Borrower and each of them waive all rights of exemption under the Constitution and laws of the State of Washington or any other jurisdiction and agree to pay all cost of collection and enforcement hereof, and reasonable attorneys' fees, if the Liabilities are not paid at maturity or any other Event of Default occurs hereunder.
8. Non-Waiver. It is agreed that no delay in exercising any right or option given or granted hereby to the Lender shall be construed as a waiver thereof; nor shall a single or partial exercise of any other right, power or privilege. The Lender may permit the Borrower to remedy any default without waiving the default so remedied, and the Lender may waive any default without waiving any other subsequent or prior default by the Borrower.
9. Events of Default. As used in this agreement, the terms "default" or "Event of Default" shall mean the occurrence or happening of any one of the following events, circumstances or conditions:
 - (a) Violation or default in the observance or performance of any term, agreement, covenant, condition or stipulation contained or referred to in this agreement or in any document executed in connection with this agreement or in any note, endorsement, guaranty or other document evidencing any of the Liabilities secured by this agreement, including, without limitations, the Loan Note, and any and all other documents executed in connection with the Loan; or
 - (b) The occurrence of an Event of Default under the Promissory Note.

10. Acceleration of Liabilities. Upon the occurrence of any Event of Default, the Lender shall have the right without further notice to the Borrower to declare the entire unpaid balance of the Liabilities, with accrued interest thereon, immediately due and payable.
11. Secured Party's Right After Default. Upon the occurrence of an Event of Default under this agreement, the Lender shall have, in addition to any other rights under this agreement or under applicable law, the right without notice to the Borrower to take any or all of the following actions at the same or at different times: (a) to collect all Collateral in the Borrower's name and take control of any cash or non-cash proceeds of Collateral; (b) to enforce payment of any Collateral, to prosecute any action or proceeding with respect to the Collateral, to extend the time of payment of any and all Collateral, to make allowance and adjustments with respect thereto and to issue credits in the name of the Borrower; (c) to settle, compromise, extend, renew, release, terminate or discharge, in whole or in part, any Collateral or deal with the same as the Lender may deem advisable; (d) without notice or advertisement, to sell, assign and deliver the Collateral or any other property held by the Lender, at public or private sale, for cash, upon credit or otherwise at the sole option and discretion of Lender and to bid or become purchaser at any such sale; and (e) to exercise, in addition to all other rights and remedies of a Lender upon default under the Uniform Commercial Code. The net cash proceeds resulting from the exercise of any of the foregoing rights, after deducting all charges, expenses, cost and attorneys' fees relating thereto, including any and all costs and expenses incurred in securing the possession of Collateral and preparing the same for sale, shall be applied by the Lender to the payment of the Liabilities, whether due or to become due, in such order and in such proportions as the Lender may elect, and Borrower shall remain jointly and severally liable to the Lender for any deficiency.
12. Attorney-in-Fact After Default. At any time after the occurrence of an Event of Default, the Lender or any other person serving as the attorney-in-fact for either of the under Section 7 of this agreement, shall have all or any of the following powers: (a) to exercise all of such Borrower's rights and remedies with respect to the collection of the Collateral; (b) to settle, adjust, compromise, extend, renew, discharge, terminate or release the Collateral in whole or in part; (c) to sell or assign the Collateral upon such terms, for such amounts and at such time or times as the Lender deems advisable; (d) to take control, in any manner, of any item of payment on, or proceeds of the Collateral; (e) to use the information recorded on or contained in any data processing equipment and computer hardware and software relating to the Collateral to which such Borrower have access; and (f) to do all acts and things necessary, in the Lender's sole judgment, to carry out the purpose of this Agreement.
13. Other Provisions Regarding Remedies on Default. With respect to the Lender's rights and remedies on default under this agreement:
 - (a) Written notice, when required by law, given to the Borrower as set forth in Section 20 below at least 5 calendar days (counting the day of sending) before the date of a proposed disposition of the Collateral is reasonable notice to the Borrower.

- (b) The Borrower agree to reimburse the Lender for any expense incurred by the Lender in protecting or enforcing its rights under the agreement, including, without limitation, all expenses of disposing of the Collateral, together with court costs and reasonable attorneys' fees. After deductions of such expenses, the Lender may apply the proceeds of the disposition of the Collateral to any one or more of the Liabilities, as well as to any other indebtedness, obligation or liability of the Borrower to the Lender secured hereby, in such order and amounts as the Lender elects.
- (c) The Lender shall not be obligated to resort to any other collateral or security now held or hereafter given to the Lender to secure the Liabilities or to seek recovery from the Borrower of said debts but may, upon default, at the Lender's sole election, proceed to enforce its rights as to the Collateral hereunder.
14. Successor and Assigns. All covenants and agreements herein made by the Borrower shall bind them and their respective successors and assigns, and every option, right and privilege herein reserved or granted to the Lender shall inure to the benefit of and may be exercised by the Lender's successors or assigns.
15. Governing Law. This agreement shall be construed in accordance with and governed by the laws of the State of Washington, except as required by mandatory provisions of law.
16. Modification, etc. No modification, amendment or waiver of any provision of this agreement, any note secured hereby, nor consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be in writing and signed by the Lender and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Borrower shall entitle either of them to any other or further notice or demand in the same, similar or other circumstances.
17. Further Assurances. The Borrower will take such action as may be necessary to protect and maintain a continuously perfected security interest of the Lender in the Collateral, including, without limitation, the filing of such financing statements and other instruments in such detail as, in the opinion of the Lender and its counsel may be necessary to create or maintain a perfected security interest therein.
18. Notices. Any request, demand or notices provided in this agreement to be given by either party hereto to the other shall be conclusively deemed to have been given when the same shall have been deposited in the United States mail, postage prepaid, addressed to the party to whom such request, demand or notice is directed, at the following address, or delivered by hand to such party at such address:
- (a) if to the Borrower, or either of them, at Flux Drive, Inc., 23412 68th Ave., Kent, WA 98032

(b) if to the Lender, at Philip Corbin III, 23412 68th Ave., Kent, WA 98032

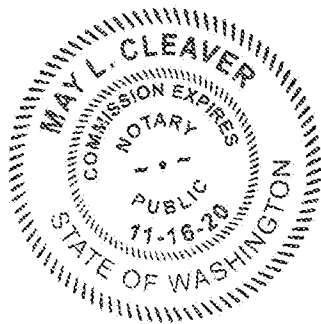
IN WITNESS WHEREFORE, each of the undersigned has executed this agreement on
17 September 2018.

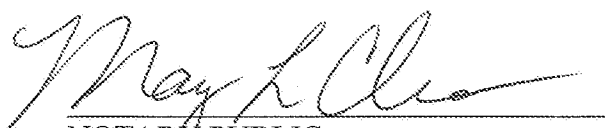

CEO FLUX DRIVE, INC. Borrower

STATE OF WASHINGTON
COUNTY OF KING

PERSONALLY appeared before me, the undersigned authority in and for the jurisdiction
aforesaid, the within named Philp Corbin III, CEO of Flux Drive, Inc., who acknowledged to me
that ^{he} ~~they~~ signed, executed and delivered the above and foregoing instrument of writing on the
day and year therein mentioned, having been first authorized so to do.

GIVEN under my hand and official seal this the 17th day of September, 2018.




NOTARY PUBLIC
Newcastle, Wa
MY COMMISSION EXPIRES:
11-16-2020