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# RECORDATION FORM COVER SHEET TRADEMARKS ONLY

Docket No.:

95226.00001

Tab settings

To the Director of the United States Patent and Trademark Office: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

NovaMin Technology, Inc.

- Individual(s)
- General Partnership
- Corporation-State Maryland
- Other
- Association
- Limited Partnership

Additional names(s) of conveying party(ies)  Yes  No

3. Nature of conveyance:

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

Execution Date: May 25, 2004

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

Name: USBM, LLC

Internal Address: Suite 300

Street Address: 100 West Road

City: Towson State: MD ZIP: 21204

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other Limited Liability Company - Maryland

If assignee is not domiciled in the United States, a domestic designation is  Yes  No  
(Designations must be a separate document from Additional name(s) & address(es)  Yes  No

4. Application number(s) or registration numbers(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2,792,116

Additional numbers

Yes  No

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

Name: Donald S. Showalter

Internal Address: Holland & Knight LLP

Suite 1300

Street Address: One East Broward Boulevard

City: Fort Lauderdale State: FL ZIP: 33301

6. Total number of applications and registrations involved:.....

**1**

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

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

082625

DO NOT USE THIS SPACE

Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Donald S. Showalter

Name of Person Signing

Signature

**TRADEMARK**

700104704

Total number of pages including cover sheet, attachments, and

REEL 002900 FRAME: 0620

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**SECURITY AND COLLATERAL AGENT AGREEMENT**

This SECURITY AND COLLATERAL AGENT AGREEMENT (the "Security Agreement"), dated as of May 25, 2004, is made by and among NovaMin Technology, Inc., a Maryland corporation (the "Grantor"), those parties listed on Schedule A attached hereto and such other parties joining in this Security Agreement pursuant to Section 8.11 hereof (each individually, a "Secured Party" and, collectively, the "Secured Parties"), and USBM, LLC, a Maryland limited liability company, as collateral agent for the Secured Parties (in such capacity the "Collateral Agent").

**WITNESSETH:**

WHEREAS, USBM, LLC, a Maryland limited liability company (in its capacity as a Security Party, "USBM"), entered into with Grantor that certain Second Amended and Restated Loan and Security Agreement dated May 25, 2004 (the "USBM Loan Agreement");

WHEREAS, pursuant to the Note and Warrant Purchase Agreement, dated May 26, 2004 (the "Purchase Agreement"), by and among the Secured Parties (other than USBM) and Grantor, each of the Secured Parties (other than USBM) purchased promissory notes (the "Bridge Notes") in an amount which shall not exceed \$760,000 and warrants (the "Warrants") from the Grantor; and

WHEREAS, pursuant to the USBM Loan Agreement and the Purchase Agreement, the Grantor is required to execute and deliver a security agreement to secure the Grantor's obligation to satisfy its indebtedness to the Secured Parties under the Notes.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce USBM to enter into the USBM Loan Agreement and to induce the Secured Parties (other than USBM) to purchase such Bridge Notes and Warrants, the Grantor agrees, for the benefit of the Secured Parties, as follows:

**ARTICLE I  
DEFINITIONS**

SECTION 1.1. Certain Terms. The following terms (whether or not underscored) when used in this Security Agreement, including its preamble and recitals, shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"Accounts" is defined in clause (c) of Section 2.2.

"Collateral" is defined in Section 2.2.

"Default" means any condition or event which, with notice or lapse of time or both, would constitute an Event of Default.

"Equipment" is defined in clause (a) of Section 2.2.

“Event of Default” means an Event of Default under the USBM Loan Agreement, failure of Grantor to pay any of the Obligations as and when due and payable, the insolvency of the Grantor, the commission of any act of bankruptcy by the Grantor, the execution by the Grantor of a general assignment for the benefit of creditors, the filing by or against the Grantor of a petition in bankruptcy or any petition for relief under the federal bankruptcy act or the continuation of such petition without dismissal for a period of ninety (90) days or more, or the appointment of a receiver or trustee to take possession of the property or assets of the Grantor.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“including” means including, without limitation.

“Intellectual Property” is defined in clause (d) of Section 2.2.

“Inventory” is defined in clause (b) of Section 2.2.

“Lien” means any mortgage, deed of trust, pledge, security interest, lien, charge, hypothecation, assignment, deposit arrangement, title retention, preferential property right, trust or other arrangement having the practical effect of the foregoing and shall include the interest of a vendor or lessor under any conditional sale agreement, capitalized lease or other title retention agreement.

“Notes” means the USBM Note and the Bridge Notes, collectively.

“Obligations” means all present and future indebtedness, liabilities and obligations of the Grantor owing to the Secured Parties, or any of their respective successors, permitted transferees or permitted assigns, arising under or in connection with the USBM Loan Agreement, the Purchase Agreement, the Notes or any other Transaction Document, other than the Warrants.

“Permitted Liens” shall mean (a) Liens of the Secured Parties, (b) Liens or taxes not delinquent, (c) mechanic’s, workman’s, materialman’s, landlord’s, carrier’s and other like Liens arising in the ordinary course of business with respect to obligations which are not due or which are being diligently contested in good faith by Grantor by appropriate proceedings, provided such Liens did not arise in connection with the borrowing of money or the obtaining of advances or credit and do not, in Secured Parties’ discretion, in the aggregate materially detract from the value of Grantor’s assets or materially impair the use thereof, (d) Liens specifically consented to by the Secured Parties in writing, and (e) the existing Lien of SunTrust Bank (“SunTrust”) with respect to a certificate of deposit maintained by Grantor with SunTrust securing the indebtedness in the maximum principal amount of \$200,000 owed by Grantor to SunTrust.

“Requisite Secured Parties” means holders on not less than 51% of the Obligations.

“Termination Date” means the date on which all Obligations have been paid in full and all commitments to make loans have been terminated.

“Transaction Document” means any transaction document necessary to consummate the transactions contemplated by the USBM Loan Agreement and the Purchase Agreement.

“UCC” means the Uniform Commercial Code as in effect in the State of Maryland, except to the extent that the validity or the perfection of the security interest hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of Maryland, in which case “UCC” means the Uniform Commercial Code as in effect in such jurisdiction.

“USBM Note” means that certain Second Amended and Restated Promissory Note from Grantor in favor of USBM dated May 25, 2004 in the principal amount of \$479,191.04.

SECTION 1.2. Purchase Agreement Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Security Agreement, including its preamble and recitals, have the meanings provided in the Purchase Agreement.

SECTION 1.3. UCC Definitions. Unless otherwise defined herein or in the Purchase Agreement or the context otherwise requires, terms for which meanings are provided in the UCC, as the same shall be hereafter amended, including amendments to such terms as may occur upon enactment and effective date of Revised Article 9, are used in this Security Agreement, including its preamble and recitals, with such meanings.

ARTICLE II  
APPOINTMENT OF COLLATERAL AGENT; SECURITY INTEREST

SECTION 2.1. Appointment of Collateral Agent. The Secured Parties hereby appoint Collateral Agent to act as secured party, agent and custodian for the exclusive benefit of the Secured Parties with respect to the Collateral. Collateral Agent hereby accepts such appointment and agrees to maintain and hold all Collateral at any time delivered to it as secured party, agent and custodian for the exclusive benefit of the Secured Parties. Collateral Agent agrees to act in accordance with this Security Agreement and acknowledges and agrees that Collateral Agent is not, and shall not at any time in the future be, subject with respect to the Collateral, in any manner or to any extent, to the direction or control of the Grantor except as expressly permitted hereby and under this Security Agreement. Collateral Agent, or its successor if Collateral Agent resigns or is removed by the Secured Parties as provided in Section 7.8 below, is hereby authorized to take action for the benefit of the Secured Parties under the provisions of this Security Agreement, the Notes, and any other Transaction Document and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of the Collateral Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto. The Collateral Agent may perform any of its duties by or through its respective officers, managers, members, agents, employees, attorneys or affiliates. No Secured Party shall take any action to collect the Obligations (including, but not limited to, enforcement of the remedies set forth in this Security Agreement and legal action to enforce the

Notes and to pursue claims against the Grantor in any bankruptcy proceedings), except through the Collateral Agent as instructed by the Requisite Secured Parties or if there is no Collateral Agent, then as determined by the Requisite Secured Parties. Each Secured Party's interest in the Obligations is without priority of one over the other, and if any Secured Party receives a payment (i.e. principal, interest, fees or charges) with respect to its Note in preference to payment to any other Secured Party or Secured Parties under its Note, or their respective Notes, as the case may be, whether such amount is paid or received or applied voluntarily, involuntarily, or by operation of law, by application of offset, or otherwise, and whether before or after a default, such Secured Party shall promptly deliver such payment to the Collateral Agent to apply such payment as set forth in Section 6.4 below. Notwithstanding the foregoing, if no Event of Default shall have occurred the Bridge Note holders may accept scheduled payments under the Bridge Loan Notes.

**SECTION 2.2. Grant of Security Interest.** The Grantor hereby assigns, pledges, hypothecates, charges, mortgages, delivers, transfers, and grants to Collateral Agent for the equal, ratable benefit of the Secured Parties a continuing security interest in all of Grantor's assets, whether now or hereafter existing or acquired by the Grantor (the "Collateral"), including:

(a) All items, including, without limitation, all machinery, equipment, furniture and fixtures, together with (i) all additions, parts, fittings, accessories, special tools, attachments and accessions now and hereafter affixed thereto and/or used in connection therewith and (ii) all replacements thereof and substitutions, all of the foregoing whether now owned or hereafter acquired (collectively referred to as the "Equipment");

(b) all goods held by the Grantor for sale or lease or to be furnished under contracts of service, including raw materials, work in progress and materials used or consumed by Grantor's business, together with the proceeds of the foregoing (all of the foregoing collectively referred to as the "Inventory");

(c) all rights of payment for goods sold or leased or for services rendered which is not evidenced by an instrument or chattel paper, whether or not it has been earned by performance, including, but not limited to, all contract rights and all property included in the "accounts" as used in the UCC (collectively referred to as the "Accounts");

(d) (i) all patents, trademarks, trade names, service marks and registered copyrights, and all pending applications thereof, to the extent owned by the Grantor, including, but not limited to, the United States Letters Patent and the inventions described and claimed therein set forth on Schedule B attached hereto, and future patents and any patents issued in any country other than the United States owned by Grantor that in any way relate to those items listed on Schedule B; (ii) all licenses and other agreements as to which Grantor is a party and pursuant to which any person is authorized to use any of the foregoing intellectual property and all income and royalties with respect thereto; and (iii) all licenses and other agreements as to which Grantor is a party and pursuant to which Grantor is authorized to use any intellectual property of any third party, and all income and royalties with respect thereto (all of the foregoing collectively referred to as the "Intellectual Property");

(e) all additions thereto and all proceeds arising from any and all of the foregoing Collateral above or any indemnity, warranty or guaranty payable by reason of loss or damages to or otherwise with respect to the above described Collateral; and

(f) all general intangibles and all intangible intellectual or other similar property of the Grantor of any kind or nature, associated with or arising out of any of the above described Collateral not otherwise mentioned above.

SECTION 2.3. Security for Obligations. This Security Agreement and the Collateral in which the Collateral Agent is granted a security interest in hereunder secures the payment of all Obligations, whether now existing or hereafter arising.

SECTION 2.4. Grantor Remains Liable. Anything herein to the contrary notwithstanding:

(a) the Grantor will remain liable under the contracts and agreements included in the Collateral to the extent set forth therein, and will perform all of its duties and obligations under such contracts and agreements to the same extent as if this Security Agreement had not been executed;

(b) the exercise by Collateral Agent or by any of the Secured Parties of any of its rights hereunder will not release the Grantor from any of its duties or obligations under any such contracts or agreements included in the Collateral;

(c) neither Collateral Agent nor any Secured Party will have any obligation or liability under any contracts or agreements included in the Collateral by reason of this Security Agreement, nor will Collateral Agent or any Secured Party be obligated to perform any of the obligations or duties of the Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder; and

(d) Grantor shall have all risk of loss of the Collateral. Neither the Collateral Agent or any Secured Party shall have any liability or duty, either before or after the occurrence of an Event of Default, on account of loss of or damage to, to collect or enforce any of its rights against, the Collateral, to collect any income accruing on the Collateral, or to preserve rights against account debtors or other parties with prior interests in the Collateral. If the Collateral Agent or any Secured Party actually receives any notices requiring action with respect to Collateral in it's possession, the Collateral Agent or such Secured Party, as applicable, shall take reasonable steps to forward such notices to Grantor. The Collateral Agent's or any Secured Party's sole responsibility is to take such action as is reasonably requested by Grantor in writing, however, the Collateral Agent or any Secured Party are not responsible to take any action that, in it's sole judgment, would adversely affect the value of the Collateral as security for the Obligations. While the Collateral Agent or any Secured Party are not required to take certain actions, if action is needed, in it's sole discretion, to preserve and maintain the Collateral, Grantor authorizes the Collateral Agent or any Secured Party to take such actions, but the Collateral Agent or any Secured Party are not obligated to do so.

**SECTION 2.5. Security Interest Absolute.** This Security Agreement shall in all respects be a continuing, absolute, unconditional and irrevocable grant of security interest, and shall remain in full force and effect until the Termination Date has occurred. All rights of Collateral Agent and the Secured Parties and the security interests granted to Collateral Agent and the Secured Parties hereunder, and all obligations of the Grantor hereunder, shall, in each case, be absolute, unconditional and irrevocable irrespective of:

(a) surrender or non-perfection of any Collateral, or any amendment to or waiver or release or addition to, or consent to or departure from, any other guaranty held by Collateral Agent or any Secured Party securing any of the Obligations;

(b) any change in the time, place or manner of payment of, or in any other term of, all or any of the Obligations, any waiver, indulgence, renewal, extension, amendment or modification of, or addition, consent or supplement to, or deletion from, or any other action or inaction under or in respect of the USBM Loan Agreement, the Purchase Agreement, the other Transaction Documents, or any other documents, instruments or agreements relating to the Obligations or any other instrument or agreement referred to therein or any assignment or transfer of any thereof;

(c) any lack of validity or enforceability of the USBM Loan Agreement, the Purchase Agreement, the other Transaction Documents, or any other document, instrument or agreement referred to therein or any assignment or transfer of any thereof;

(d) any furnishing to Collateral Agent or any Secured Party of any additional security for the Obligations, or any sale, exchange, release or surrender of, or realization on, any security for the Obligations;

(e) any settlement or compromise of any of the Obligations, any security therefor, or any liability of any other party with respect to the Obligations, or any subordination of the payment of the Obligations to the payment of any other liability of the Grantor;

(f) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to the Grantor, or any action taken with respect to this Security Agreement by any trustee or receiver, or by any court, in any such proceeding;

(g) any application of sums paid by the Grantor or any other Person with respect to the obligations of the Grantor to Collateral Agent or any Secured Party, regardless of what obligations of the Grantor remain unpaid; and

(h) any other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of, Collateral Agent, any Secured Party, any surety or any guarantor.

**SECTION 2.6. Reinstatement.** If any payment made in respect of any Obligations is rescinded or must otherwise be restored by the Secured Party and, pursuant to Section 2.5, the

security interest granted herein shall have terminated, this Agreement and such security interest shall be reinstated and otherwise restored all as though such payment had not been made.

### ARTICLE III REPRESENTATIONS AND WARRANTIES

The Grantor represents and warrants to each of the Secured Parties as set forth below.

**SECTION 3.1. Grantor Location, etc.** The true legal name as registered in the jurisdiction in which the Grantor is organized or incorporated and Grantor's state of incorporation or organization are as provided above. The Grantor's organizational number as registered in the State Department of Assessments and Taxation is D07015399. The place(s) of business and the chief executive office of the Grantor and the office(s) where the Grantor keeps its records concerning the Accounts are located at One Progress Blvd., Suite 23, Alachua, Florida 32615. The Grantor does not have any trade names other than those set forth in Schedule 3.2. During the four months preceding the date hereof, Grantor has not been known by any legal name different from the one set forth on the signature page hereto, nor has the Grantor been the subject of any merger, consolidation, conversion or other corporate reorganization. The Grantor's federal taxpayer identification number and organizational number are (and, during the four months preceding the date hereof, the Grantor has not had a federal taxpayer identification number or organizational number different from the ones) set forth in Schedule 3.2 hereto.

**SECTION 3.2. Ownership, No Liens, etc.** The Grantor owns its Collateral free and clear of any Lien, except for Permitted Liens and Liens created by this Security Agreement. No effective financing statement or other filing similar in effect covering any Collateral is on file in any recording office.

**SECTION 3.3. Validity, etc.** This Security Agreement creates a valid security interest in the Collateral securing the payment of the Obligations. The Grantor has executed and delivered to Collateral Agent originals of all financing statements suitable for filing in the appropriate offices.

**SECTION 3.4. Authorization, Approval, etc.** Except as have been obtained or made and are in full force and effect, no authorization, approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body is required either:

(a) for the grant by the Grantor of the security interest granted hereby, the pledge by the Grantor of any Collateral pursuant hereto or for the execution, delivery and performance of this Security Agreement by the Grantor;

(b) for the perfection of or the exercise by Collateral Agent of its rights and remedies hereunder (except for whatever action is necessary for filing in the appropriate offices); or

(c) for the exercise by Collateral Agent of the voting or other rights provided for in this Security Agreement.



SECTION 3.5. Compliance with Laws. The Grantor is in compliance with the requirements of all applicable laws, rules and regulations, except where the non-compliance of such could not reasonably be expected to materially and adversely affect the value of the Collateral.

SECTION 3.6 Authority. The Grantor has full power and authority to enter into this Agreement, to execute and deliver all documents and instruments required hereunder and to incur and perform the obligations provided for herein, all of which have been duly authorized by all necessary and proper corporate action, and no consent or approval of any person, including, without limitation, stockholders of Grantor and any public authority or regulatory body, which has not been obtained is required as a condition to the validity or enforceability hereof or thereof.

SECTION 3.7 No Conflicting Agreements. The execution, delivery and performance by Grantor of this Agreement and the borrowings hereunder will not (a) violate (i) any provision of law or any order, rule or regulation of any court or agency of government, (ii) any award of any arbitrator, (iii) the Articles of Incorporation or By-laws of Grantor, or (iv) any indenture, contract, agreement, mortgage, deed of trust or other instrument to which Grantor is a party or by which Grantor or any of its property is bound, or (b) be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a material default under, any such award, indenture, contract, agreement, mortgage, deed of trust or other instrument, or result in the creation or imposition of any Lien upon any of the property or assets of Grantor except for Liens created in favor of Secured Parties under or pursuant to this Agreement.

SECTION 3.8 Accuracy of Patent List. Grantor represents and warrants that the listing of Patents and Trademarks attached hereto as Schedule B is a true and complete list of all of the patents and trademarks issued to or applied for by the Grantor as of the date of this Agreement

#### ARTICLE IV COVENANTS

The Grantor covenants and agrees that, until the Termination Date has occurred, the Grantor will perform, comply with and be bound by the obligations set forth below.

SECTION 4.1. As to Equipment and Inventory. The Grantor hereby agrees that it will

(a) keep all the Equipment and Inventory (other than Inventory in transit) at the places therefor specified in Section 3.1 or, upon thirty (30) days' prior written notice to Collateral Agent, at such other places in a jurisdiction where all representations and warranties set forth in Article III shall be true and correct, and all action required pursuant to Section 4.4 shall have been taken with respect to the Equipment and Inventory;

(b) cause the Equipment to be maintained and preserved in good repair and working order, ordinary wear and tear excepted, and in accordance with any manufacturer's manual; and forthwith, or in the case of any material loss or damage to any of the Equipment, as quickly as practicable after the occurrence thereof, make or cause to be made all repairs, replacements, and other improvements in connection

therewith which are necessary or desirable to such end; and promptly furnish to Collateral Agent a statement respecting any material loss or damage to any of the Equipment; and

(c) pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Equipment and the Inventory, except to the extent the validity thereof is being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP have been set aside.

**SECTION 4.2. As to Accounts.**

(a) The Grantor will keep its chief executive office, its jurisdiction of formation, the office(s) where it keeps its records concerning the Accounts located at the addresses set forth in Section 3.1 hereto, or, upon 30 days' prior written notice to Collateral Agent, at such other locations in a jurisdiction where all actions required by Section 4.5 shall have been taken with respect to the Accounts and other Collateral. The Grantor will not change its name or federal taxpayer identification number or jurisdiction of formation except upon 30 days' prior written notice to Collateral Agent.

(b) The Grantor shall have the right to collect all Accounts so long as no Event of Default shall have occurred and be continuing.

(c) Upon the occurrence and continuance of an Event of Default, Collateral Agent may (i) demand, collect or compromise any and all sums which now are or may become owing upon any of the Accounts, (ii) enforce payment of any Account either in its own name or in the name of Grantor, and (iii) endorse in the name of Grantor and collect any instrument or negotiable instruments tendered or received in payment of the Accounts.

**SECTION 4.3. As to Intellectual Property.** Grantor further covenants that, until all of the Obligations have been satisfied in full, Grantor will: (a) not enter into any agreement(s) including, without limitation, license agreements, which are inconsistent with Grantor's undertakings and covenants under this Security Agreement or which restrict or impair Secured Parties' rights hereunder; and (b) maintain the Intellectual Property in full force and effect. Grantor shall, at Grantor's own expense, diligently file and prosecute in the United States Patent and Trademark Office all patent applications relating to the inventions described and claimed in the Intellectual Property, and shall pay or cause to be paid in their customary fashion all fees and disbursements in connection therewith, and shall not abandon any such application before the exhaustion of all administrative and judicial remedies or disclaim or dedicate an patent without the prior written consent of the Secured Parties, which consent shall not be unreasonably withheld.

**SECTION 4.4.** Grantor covenants that it will not change the location of its business, its corporate name or begin using trade names other than NovaMin or Oravive or fictitious names without informing the Collateral Agent and executing any documents needed to maintain the Collateral Agent and Secured Parties' first priority lien on the Collateral.

**SECTION 4.5. Certain Rights as to Collateral.**

(a) Subject to clause (b) of this Section, the Grantor (i) may in the ordinary course of its business sell, lease or furnish under the contracts of service any of the Inventory normally held by the Grantor for such purpose, and use and consume, in the ordinary course of its business, any raw materials, work in process or materials normally held by the Grantor for such purpose, (ii) will endeavor to collect, as and when due, all amounts due with respect to any of the Collateral, including the taking of such action with respect to such collection as Collateral Agent may reasonably request following the occurrence of an Event of Default or, in the absence of such request, as the Grantor may deem advisable, and (iii) may grant, in the ordinary course of business, to any party obligated on any of the Collateral, any rebate, return or allowance to which such party may be lawfully entitled, and may accept, in connection therewith, the return of goods, the sale or lease of which shall have given rise to such Collateral.

(b) At any time following the occurrence and during the continuance of an Event of Default, whether before or after the maturity of any of the Obligations, Collateral Agent may (i) revoke any or all of the rights of the Grantor set forth in clause (a), (ii) notify any parties obligated on any of the Collateral to make payment to Collateral Agent of any amounts due or to become due thereunder, (iii) enforce collection of any of the Collateral by suit or otherwise and surrender, release, or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby and (iv) file any forms required by the U.S. Postal Service to direct the U.S. Postal Service to forward any mail addressed to the Grantor to a post office address designated by the Collateral Agent and Grantor hereby authorizes any U.S. Postmaster to accept such forms from the Collateral Agent.

(c) Upon request of Collateral Agent following the occurrence and during the continuance of an Event of Default, the Grantor will notify any parties obligated on any of the Collateral to make payment to Collateral Agent of any amounts due or to become due thereunder.

(d) The Grantor hereby authorizes Collateral Agent to endorse, in the name of the Grantor, any item, howsoever received by Collateral Agent, representing any payment on or other proceeds of any of the Collateral.

(e) The Grantor will at all times keep the Collateral insured and at Collateral Agent's option, at the Grantor's own expense, all policies or certificates with respect to such insurance shall be endorsed to Collateral Agent's reasonable satisfaction for the benefit of Collateral Agent (including, without limitation, by naming Collateral Agent as loss payee) and, at Collateral Agent's reasonable request, deposited with Collateral Agent. Each such policy shall contain a clause or endorsement satisfactory to Collateral Agent naming Collateral Agent as loss payee and a clause or endorsement satisfactory to Collateral Agent that such policy may not be cancelled or altered and Collateral Agent may not be removed as loss payee without at least 30 days prior written notice to Collateral Agent. In all events, the amounts of such insurance coverages shall conform to prudent

business practices and shall be in such minimum amounts that Grantor will not be deemed a co-insurer under applicable insurance laws, regulations, policies or practices. Grantor hereby assigns to Collateral Agent and grants to Collateral Agent a security interest in any and all proceeds of such policies and authorizes and empowers Collateral Agent to adjust or compromise any loss under such policies and to collect and receive all such proceeds. Grantor hereby authorizes and directs each insurance company to pay all such proceeds directly and solely to Collateral Agent (subject to the Collateral Agent's obligations under this Agreement) and not to Grantor and Collateral Agent jointly. Grantor authorizes and empowers Collateral Agent to execute and endorse in Grantor's name all proofs of loss, drafts, checks and any other documents or instruments necessary to accomplish such collection, and any persons making payments to Collateral Agent under the terms of this paragraph are hereby relieved absolutely from any obligation or responsibility to see to the application of any sums so paid. If the Grantor shall fail to insure the Collateral or if the Grantor shall fail to so endorse and deposit all policies or certificates with respect thereto, Collateral Agent shall have the right (but shall be under no obligation) to procure such insurance and the Grantor agrees to reimburse Collateral Agent for all costs and expenses of procuring such insurance. After deduction from any such proceeds of all costs and expenses (including reasonable attorney's fees) incurred by Collateral Agent in the collection and handling of such proceeds, Collateral Agent may apply any proceeds of such insurance in accordance with Section 6.4 hereof. The Grantor assumes all liability and responsibility in connection with the Collateral and the liability of the Grantor to pay its Obligation shall in no way be affected or diminished by reason of the fact that such Collateral may be lost, destroyed, stolen, damaged or for any reason whatsoever unavailable to the Grantor.

(f) Grantor shall at all reasonable times allow Collateral Agent, its agents, employees or attorneys, to: (i) examine and inspect all the Collateral wherever located; (ii) examine all books, records, and documentation of Grantor with respect to Collateral; and (iii) make copies or extracts from the books, records and documentation of Debtor as Collateral Agent may deem desirable.

(g) Grantor shall have the right and obligation, unless released from such obligation in writing by the Collateral Agent, to bring suit in Grantor's own name to enforce its rights in the Intellectual Property or pursue infringers, known to Grantor to be infringing, upon the Intellectual Property. Grantor shall be required to exercise reasonable diligence in determining if there are any infringements on the Intellectual Property.

(h) Further Assurances, etc. The Grantor will warrant and defend the security interest herein granted unto Collateral Agent by the Grantor in and to the Collateral (and all right, title and interest represented by such Collateral) against the claims and demands of all persons whomsoever. The Grantor agrees that, from time to time, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or that Collateral Agent may reasonably request, in order to perfect, preserve and protect any security interest granted or purported to be granted hereby or to enable Collateral Agent or any Secured Party to exercise and enforce its rights and

remedies hereunder with respect to any Collateral. The Grantor agrees that a carbon, photographic or other reproduction of this Security Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

SECTION 4.6. Other Liens. The Grantor shall not, without the prior written consent of the Collateral Agent, create or suffer to exist any Lien upon or with respect to any of the Collateral to secure indebtedness of any person, except for the security interest created by this Security Agreement and except for Permitted Liens.

SECTION 4.7. Terminations; Amendments Not Authorized. The Grantor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement without the prior written consent of Collateral Agent and agrees that it will not do so without the prior written consent of Collateral Agent, subject to the Grantor's rights under Section 9 of the Commercial Law Article of the Maryland Annotated Code.

SECTION 4.8. Collateral Agent Expenses. Upon the execution of this Agreement, the Grantor shall fund a certificate of deposit in the amount of \$10,000 to be held by the Collateral Agent and to be used to fund any fees or expenses incurred in connection with the Collateral Agent exercising its duties under this Agreement. In the event the Collateral Agent resigns or is removed under the terms of Section 7.8 below, it shall execute such forms as are necessary to transfer the fund to the Grantor or the substitute Collateral Agent.

ARTICLE V  
APPOINTMENT OF RIGHTS

The Grantor hereby irrevocably appoints Collateral Agent its attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time in the Collateral Agent's discretion, following the occurrence and during the continuance of an Event of Default, to take any action and to execute any instrument which Collateral Agent may deem necessary or advisable to accomplish the purposes of this Security Agreement. The Grantor hereby acknowledges, consents and agrees that the power of attorney granted pursuant to this Section is irrevocable and coupled with an interest.

ARTICLE VI  
REMEDIES

SECTION 6.1. Certain Remedies. If any Event of Default shall have occurred and be continuing:

- (a) Collateral Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the UCC (whether or not the UCC applies to the affected Collateral) and also may

(i) require the Grantor to, and the Grantor hereby agrees that it will, at its expense and upon request of Collateral Agent forthwith, assemble all or part of the Collateral as directed by Collateral Agent and make it available to Collateral Agent at a place to be designated by Collateral Agent which is reasonably convenient to both parties, and

(ii) sell the Collateral or any part thereof in one or more parcels at public or private sale, at Grantor's offices or locations, or any of Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as Collateral Agent may deem commercially reasonable. The Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days prior notice to the Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Collateral Agent may

(i) transfer all or any part of the Collateral into the name of Collateral Agent or its nominee, with or without disclosing that such Collateral is subject to the Lien hereunder,

(ii) notify the parties obligated on any of the Collateral to make payment to Collateral Agent of any amount due or to become due thereunder,

(iii) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto,

(iv) endorse any checks, drafts, or other writings in the Grantor's name to allow collection of the Collateral,

(v) take control of any proceeds of the Collateral, and

(vi) execute (in the name, place and stead of the Grantor) endorsements, assignments, and other instruments of conveyance or transfer with respect to all or any of the Collateral.

## SECTION 6.2. Indemnity and Expenses.

(a) The Grantor agrees to indemnify the Collateral Agent and the Secured Parties from and against any and all claims, losses and liabilities arising out of or resulting from this Security Agreement (including enforcement of this Security Agreement), except

claims, losses or liabilities resulting from Collateral Agent's gross negligence or willful misconduct.

(b) The Grantor will, upon demand, pay to Collateral Agent the amount of any and all reasonable expenses, including the reasonable fees and disbursements of its counsel and of any experts and agents, which Collateral Agent may incur in connection with

(i) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Collateral,

(ii) the exercise or enforcement of any of the rights of Collateral Agent hereunder, and

(iii) the failure by the Grantor to perform or observe any of the provisions hereof.

(c) All of the foregoing fees, costs and expenses shall be part of the Obligations and shall be secured by the Collateral. This Section 6.2 shall survive the termination of this Security Agreement.

**SECTION 6.3. Protection of Collateral.** Collateral Agent may from time to time, at its option, perform any act which the Grantor fails to perform after being requested in writing so to perform by Collateral Agent (it being understood that no such request need be given after the occurrence and during the continuance of an Event of Default) and Collateral Agent may from time to time take any other action which Collateral Agent reasonably deems necessary for the maintenance, preservation or protection of any of the Collateral or of its security interest therein.

**SECTION 6.4. Application and Distribution of Proceeds.** All cash proceeds received by Collateral Agent in respect of any sale of, collection from, or other realization upon, all or any part of the proceeds of the Collateral shall be applied by Collateral Agent to payment of the Obligations in the following order unless a court of competent jurisdiction shall otherwise direct:

(a) FIRST, to payment of all unpaid reasonable costs and expenses of Collateral Agent incurred in connection with the collection and enforcement of the Obligations or of the security interest granted to Collateral Agent pursuant to this Security Agreement;

(b) SECOND, to payment of that portion of the Obligations constituting accrued and unpaid interest and fees. The Collateral Agent will allocate the payments under this Section 6.4(b) to each Secured Party according to their pro rata share of the total outstanding accrued interest and fees due and owing under the Notes or the USBM Loan Agreement;

(c) THIRD, to payment of the principal of the Obligations. The Collateral Agent will allocate the payments under this Section 6.4(c) to each Secured Party according to their pro rata share of the total original principal sum due and owing under the Notes;

(d) FOURTH, to payment of any other amounts owed to any of the Secured Parties pursuant to the USBM Loan Agreement or the Purchase Agreement or hereunder (other than those listed above); and

(e) FIFTH, the balance, if any, after the preceding allocations have been properly applied, to the Grantor provided that prior to the Termination Date, such balance may, in the discretion of Collateral Agent, be used by Collateral Agent as additional Collateral to be applied at any time thereafter pursuant to this Section 6.4(c).

ARTICLE VII  
COLLATERAL AGENT

SECTION 7.1. Collateral Agent's Duties. The Collateral Agent shall have no duties or responsibilities other than as expressly set forth herein, nor any fiduciary relationship with any Secured Party by reason hereof. Neither the Collateral Agent nor any of its members, officers, employees or agents (collectively, its "Personnel") shall be liable to any Secured Party for any action or inaction by it or them hereunder or in connection herewith at the request or with the approval of the Requisite Secured Parties or in the absence of its or their own gross negligence or willful misconduct. The Collateral Agent shall not have any fiduciary relationship in respect of any of the Secured Parties or the Grantor, and nothing in any of the Transaction Documents expressed or implied, is intended to or shall be construed as to impose upon Collateral Agent any obligations in respect of this Security Agreement or any of the other Transaction Documents except as expressly set forth herein or therein. The Collateral Agent's duties to the Secured Parties shall be limited to:

(a) To act on behalf of the Secured Parties in an Event of Default occurs by reporting the nature of the default to the Secured Parties, the existing circumstances surrounding the default and any remedial action the Collateral Agent proposes should be taken to cure the default.

(b) The Collateral Agent will communicate with the Grantor while an Event of Default exists and will obtain, review and communicate with the Secured Parties regarding the financial and operational status of the Grantor.

(c) The Collateral Agent will act on behalf of the Secured Parties to exercise the Secured Parties' remedies under this Agreement, including, but not limited to the liquidation of Collateral and the distribution of proceeds according to the terms of this Agreement.

SECTION 7.2. Default.

(a) Without limiting any other rights of Collateral Agent under this Security Agreement, upon and during the continuance of an Event of Default, Collateral Agent shall, upon the written direction of the Requisite Secured Parties, take such action on behalf of the Secured Parties to collect the Obligations, including enforcement of the remedies set forth in this Security Agreement and legal action to enforce the Notes and to pursue claims against the Grantor in any bankruptcy proceedings. If an Event of Default



has occurred, the Collateral Agent shall provide the Secured Parties with a ballot setting forth its recommended course of action via email and Federal Express. Each Secured Party must provide the Collateral Agent with an executed ballot voting for or against the Collateral Agent's proposed course of action within three (3) days of the Collateral Agent's transmittal of the ballot by faxing the ballot to the Collateral Agent via its attorney, Pope & Hughes, P.A. in Towson, Maryland at 410-494-1658. A Secured Party's failure to tender a vote within such three (3) day period will conclusively be deemed a vote for the action proposed by the Collateral Agent. Upon their execution of this Agreement, in order to facilitate the Collateral Agent's communication with the Secured Parties, each Secured Party shall provide the Collateral Agent with a current address, phone number and email address. Furthermore, each Secured Party hereby covenants to provide the Collateral Agent with updated contact information. The Collateral Agent shall communicate the results of the balloting to the Secured Parties. The Collateral Agent shall not be subject to any liability to the Secured Parties by reason of its acting pursuant to the request of the Requisite Secured Parties for taking such action.

(b) If the \$10,000 reserve fund created by the Grantor pursuant to Section 4.8 of this Agreement is exhausted, each Secured Party agrees to reimburse the Collateral Agent, to the extent of such Secured Party's percentage interest in the Obligations at the time such expenses are incurred, for all reasonable out-of-pocket expenses (including attorneys' fees) incurred by the Collateral Agent hereunder or in connection herewith or in enforcing the obligations of the Grantor hereunder or under the Loans or any security therefor, and for which the Collateral Agent is not reimbursed by the Grantor. The Collateral Agent shall not be required to take any action hereunder or to prosecute or defend any suit in respect of this Agreement unless indemnified to its satisfaction by the Secured Parties against loss, cost, liability and expense, which the Secured Parties agree shall include a reasonable fee for the services performed by the Collateral Agent.

**SECTION 7.3. Independent Evaluation of Notes.** Each Secured Party has made an independent evaluation of such Secured Party's investment in the Notes, including the risks associated therewith. Collateral Agent shall not be responsible to any Secured Party for; (a) any recitals, statements, information, representations or warranties contained in the Transaction Documents or any document, certificate or other writing delivered in connection therewith; (b) the execution, effectiveness, genuineness, validity, enforceability, perfection, collectability, priority or sufficiency of the Transaction Documents; (c) the correctness or accuracy of the foregoing or for any representation or warranty of Grantor, whether hereunder or otherwise; (d) the correctness or accuracy of any information furnished by any person with respect to any manner pertaining hereto; or (e) for ascertaining or monitoring Grantor's compliance with the terms hereof. Collateral Agent shall not be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of the Transaction Documents or the existence or possible existence of any Event of Default.

**SECTION 7.4. Rights of Collateral Agent.** Collateral Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights which may be vested in it by, and with respect to, taking or refraining from taking any action or actions which it

may be able to take under or in respect of the Transaction Documents, unless Collateral Agent shall have been instructed by the Requisite Secured Parties to exercise or refrain from exercising such rights or to take or refrain from taking such action and such instructions are permissible under this Security Agreement or applicable law. In any event, Collateral Agent shall incur no liability to any Secured Party with respect to anything which it may do or refrain from doing in the reasonable exercise of its judgment or which may seem to Collateral Agent, in its sole determination, to be necessary or desirable in the circumstances. Further, if Collateral Agent requests instructions from the Secured Parties with respect to any act or action (including failure to act) in connection with any Transaction Document, Collateral Agent shall be entitled to refrain from such act or taking such action unless and until Collateral Agent shall have received instructions from the Requisite Secured Parties; and Collateral Agent shall not incur liability to any person by reason of said refraining. Without limiting the foregoing, neither the Secured Parties nor any individual Secured Party shall have any right of action whatsoever against Collateral Agent as a result of Collateral Agent acting or refraining from acting under any Transaction Document, in accordance with the instructions of the Requisite Secured Parties.

**SECTION 7.5. Collateral Agent's Reliance Upon Communication and Counsel.** Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, telex, teletype or telecopier message, cablegram, radiogram, electronic mail, order or other document or telephone message signed, sent or made by any Secured Party or other person that Collateral Agent believed to be the proper person, and, with respect to all legal matters pertaining to this Security Agreement, the Notes, and any other Transaction Document and its duties hereunder and thereunder, upon advice of counsel selected by Collateral Agent.

**SECTION 7.6. Standard of Care.** Neither Collateral Agent nor any of its Personnel shall be liable for any action taken or omitted by Collateral Agent or them under or in connection with any Transaction Document, unless caused by its or their gross negligence or willful misconduct in the performance of Collateral Agent's duties under this document.

**SECTION 7.7. Indemnification.** The Grantor shall reimburse and indemnify Collateral Agent, promptly for and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, costs, expenses or disbursements of whatsoever kind or nature (including attorneys' fees) which may be imposed on, asserted against or incurred by Collateral Agent in performing its duties under the Transaction Documents or in any way relating to or arising out of the Transaction Documents; provided, that the Grantor shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs, expenses or disbursements resulting from Collateral Agent's gross negligence or willful misconduct in the performance of Collateral Agent's duties under this document. This Section 7.7 shall survive the termination of this Security Agreement.

**SECTION 7.8. Resignation of Collateral Agent.** Collateral Agent may resign from the performance of its functions and duties as Collateral Agent under this Security Agreement, and the other Transaction Documents at any time by giving prior written notice to the Grantor and to the Secured Parties. Such resignation shall take effect upon the appointment of a successor Collateral Agent. Upon receipt of any such notice of resignation, the Requisite Secured Parties

shall appoint a successor Collateral Agent within thirty (30) days. If no successor Collateral Agent has been appointed by the thirtieth (30<sup>th</sup>) day after the date such notice of resignation was given by Collateral Agent, Collateral Agent's resignation shall become effective and the Requisite Secured Parties shall thereafter perform all the duties, and all of the rights, of Collateral Agent hereunder and/or under any other Transaction Document until such time, if any, as the Requisite Secured Parties appoint a successor Collateral Agent as provided above. The Requisite Secured Parties may at any time remove Collateral Agent effective immediately upon Collateral Agent's receipt of written notice to that effect executed and delivered by the Requisite Secured Parties. Any successor Collateral Agent shall be governed by the terms and conditions of this Security Agreement. If the Secured Parties select a substitute Collateral Agent within the thirty days or exercise their right to remove the Collateral Agent, the Collateral Agent shall assist in the substitute Collateral Agent's assumption of the duties of the Collateral Agent under this Agreement and the Secured Parties shall determine the effective date of the transfer of duties to the substitute Collateral Agent.

#### ARTICLE VIII MISCELLANEOUS PROVISIONS

SECTION 8.1. Binding on Successors, Transferees and Assigns; Assignment. This Security Agreement shall remain in full force and effect until the Termination Date has occurred, shall be binding upon the Grantor and its successors, transferees and assigns and shall inure to the benefit of and be enforceable by Collateral Agent, the Secured Parties and their successors, transferees and assigns; provided, however, that the Grantor may not assign any of its obligations hereunder without the prior written consent of Collateral Agent. Without limiting the foregoing, USBM or any other Secured Party may assign or otherwise transfer all or any portion of the Obligations held by it to any other Person, and such other Person shall thereupon become vested with all the rights and benefits in respect thereof granted to USBM or any other Secured Party holder under this Security Agreement or otherwise, subject, however, to any contrary provisions in such assignment or transfer, and to the applicable provisions of the USBM Loan Agreement and the Purchase Agreement.

SECTION 8.2. Amendments, etc. No amendment to or waiver of any provision of this Security Agreement, nor consent to any departure by the Grantor from its obligations under this Security Agreement, shall in any event be effective unless the same shall be in writing and signed by Collateral Agent and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 8.3. Notices. Notice required or permitted to be given hereunder shall be given to the parties at the addresses set forth on the signature pages of this document or at such other address as may be designated in writing from time to time by one party to the other. Any such notices or communications shall be deemed to be received upon the earlier of actual receipt (including both physical and electronic means of delivery) at the address provided or, if mailed, two (2) business days after mailing by first class mail.

SECTION 8.4. Release of Liens. Upon (a) a sale of Collateral as permitted hereunder, or (b) the occurrence of the Termination Date, the security interests granted herein shall

automatically terminate with respect to (i) such Collateral (in the case of clause (a)) or (ii) all Collateral (in the case of clause (b)). Upon such termination, the Secured Party will, at the applicable Grantor's sole expense, deliver to the Grantor, without any representations, warranties or recourse of any kind whatsoever, all terminated Collateral held by Collateral Agent hereunder, and execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

SECTION 8.5. No Waiver; Remedies. No failure on the part of Collateral Agent to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.6. Section Captions. Section captions used in this Security Agreement are for convenience of reference only, and shall not affect the construction or interpretation of this Security Agreement.

SECTION 8.7. Severability. Wherever possible each provision of this Security Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Security Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Security Agreement.

SECTION 8.8. Governing Law. THIS SECURITY AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW (WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF) OF THE STATE OF MARYLAND.

SECTION 8.9. JURISDICTION AND VENUE. THE PARTIES AGREE, WITHOUT POWER OF REVOCATION, THAT ANY CIVIL SUIT OR ACTION BROUGHT AGAINST IT AS A RESULT OF ANY OF ITS OBLIGATIONS UNDER THIS SECURITY AGREEMENT OR UNDER ANY OTHER TRANSACTION DOCUMENT TO WHICH IT IS A PARTY MAY BE BROUGHT AGAINST THEM IN THE UNITED STATES DISTRICT COURT OF THE NORTHERN DISTRICT OF MARYLAND OR ANY STATE COURT OF THE STATE OF MARYLAND LOCATED IN BALTIMORE COUNTY, MARYLAND AND ANY APPELLATE COURT THEREOF AND THAT SERVICE OF PROCESS MAY BE MADE UPON THEM IN ANY SUCH SUIT OR ACTION BY SERVICE OF PROCESS AS PROVIDED BY MARYLAND LAW. THE PARTIES HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF SUCH COURTS AND IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTIONS THAT THEY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF SUCH CIVIL SUIT OR ACTION AND ANY CLAIM THAT SUCH CIVIL SUIT OR ACTION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE PARTIES AGREE THAT FINAL JUDGMENT IN ANY SUCH CIVIL SUIT OR ACTION SHALL BE CONCLUSIVE AND

BINDING UPON THEM AND SHALL BE ENFORCEABLE AGAINST THEM BY SUIT UPON SUCH JUDGMENT IN ANY COURT OF COMPETENT JURISDICTION.

SECTION 8.10. Counterparts. This Security Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement, including the individual counterpart signature pages of the Secured Parties.

SECTION 8.11. Joinder of Additional Secured Parties. Additional Secured Parties may become a party to this Security Agreement by executing a Purchase Agreement and an individual counterpart signature page referred to in Section 8.10, agreeing to be bound by the terms and conditions thereby and hereby with the same force and effect as if such additional Secured Party were an original signatory to this Security Agreement.

*[Signatures appear on the following page.]*

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

**GRANTOR:**

NovaMin Technology, Inc.

By: *Randolph Scott*  
Randolph Scott  
President and CEO

Address:  
One Progress Boulevard  
Suite 23  
Alachua, Florida 32615  
Facsimile: 386-418-1465

**COLLATERAL AGENT:**

USBM, LLC

By: *A. Scott Crockett, Jr.*  
Print Name: *A. Scott Crockett, Jr.*  
Title: *Managing Member*  
Address: *USBM, LLC % Crockett, Jr. Assoc.*  
*100 West Road*  
*Suite 300*  
*Towson, MD 21204*

**SECURED PARTY (USBM):**

USBM, LLC

By: *A. Scott Crockett, Jr.*  
 Print Name: *A. Scott Crockett, Jr.*  
 Title: *Managing Member*  
 Address: *USBM, LLC c/o Crockett, Jr. Assoc.*  
*100 West Rd.*  
*Suite 300*  
*Towson, MD 21204*

*[Individual counterpart signature pages of other secured parties follow.]*

**NOVAMIN TECHNOLOGY, INC.**  
**SECURITY AND COLLATERAL AGENT AGREEMENT**  
**SIGNATURE PAGE FOR INDIVIDUALS**

Your signature on this Individual Signature Page evidences your agreement to be bound by the Security and Collateral Agent Agreement dated May 25, 2004 between NovaMin Technology, Inc. ("NovaMin") and various other parties (the "Security Agreement") in connection with the delivery by NovaMin to the undersigned of a promissory note and warrant. The undersigned represents that he/she has read and understands the Security Agreement. The undersigned hereby certifies to NovaMin that: (i) the undersigned has full power and authority under all applicable laws to execute the Security Agreement; and (ii) the undersigned reads and understands the Security Agreement.

SECURED PARTY:

May 27, 2004  
[Date Executed]

867 Sunset Ridge  
[address] Bridgewater, NJ 08807

Jules Blake  
[signature]

Jules Blake  
[print or type name]

Telephone: 908 526 2739

[Signature of Spouse if Co-Owner]

Fax: 908 253 9665

[Print or type name of Spouse if Co-Owner]  
[Spouse must sign if Co-Owner]

# 1929361\_v1

TRADEMARK



**NOVAMIN TECHNOLOGY, INC.**  
**SECURITY AND COLLATERAL AGENT AGREEMENT**  
**SIGNATURE PAGE FOR ENTITIES**

Your signature on this Entity Signature Page evidences the agreement of the Purchaser Entity named below to be bound by the Security and Collateral Agent Agreement dated May 25, 2004 between NovaMin Technology, Inc. ("NovaMin") and various other parties (the "Security Agreement") in connection with the delivery by NovaMin to the undersigned of a promissory note and warrant. The undersigned trustee, partner, managing director, or corporate officer, hereby certifies to NovaMin that: (i) the undersigned has full power and authority from the beneficiaries, partners, shareholders, members or directors, as the case may require under all applicable laws, of the entity named below to execute the Security Agreement on behalf of the entity; (ii) the execution of the Security Agreement has been affirmatively authorized by the governing board of such entity and is not prohibited by the governing documents of such entity; and (iii) the undersigned reads and understands the Security Agreement.

PURCHASER:

JUNE 3, 2004

[Date Executed]

4425 CORPORATION LANE  
 [address] SUITE 400

BUKE RIDGE ASSOCIATES OF VIRGINIA, L.L.C.  
 [Print or type complete name of entity above]

VIRGINIA BEACH, VA 23462

By: [Signature]  
 [Signature of authorized person]

Telephone: 757-490-3141

FREDERICK J. NAPOLITANO  
 [print or type name of authorized person]

Fax: 757-490-0206

# 1929602\_v1

TRADEMARK

**NOVAMIN TECHNOLOGY, INC.**  
**SECURITY AND COLLATERAL AGENT AGREEMENT**  
**SIGNATURE PAGE FOR INDIVIDUALS**

Your signature on this Individual Signature Page evidences your agreement to be bound by the Security and Collateral Agent Agreement dated May 25, 2004 between NovaMin Technology, Inc. ("NovaMin") and various other parties (the "Security Agreement") in connection with the delivery by NovaMin to the undersigned of a promissory note and warrant. The undersigned represents that he/she has read and understands the Security Agreement. The undersigned hereby certifies to NovaMin that: (i) the undersigned has full power and authority under all applicable laws to execute the Security Agreement; and (ii) the undersigned reads and understands the Security Agreement.

SECURED PARTY:

JUNE 9, 2004  
 [Date Executed]

2204 PINE VALLEY DR.  
 [address]  
TIMONIUM, MD 21093

David W. Britton, Jr.  
 [signature]

DAVID W. BRITTON, JR.  
 [print or type name]

Telephone: 410 666-7088

Sharon J. Britton  
 [Signature of Spouse if Co-Owner]

Fax: 410-727-1362

SHARON J. BRITTON  
 [Print or type name of Spouse if Co-Owner]  
 [Spouse must sign if Co-Owner]

# 1929361\_v1

TRADEMARK

**NOVAMIN TECHNOLOGY, INC.**  
**SECURITY AND COLLATERAL AGENT AGREEMENT**  
**SIGNATURE PAGE FOR INDIVIDUALS**

Your signature on this Individual Signature Page evidences your agreement to be bound by the Security and Collateral Agent Agreement dated May 25, 2004 between NovaMin Technology, Inc. ("NovaMin") and various other parties (the "Security Agreement") in connection with the delivery by NovaMin to the undersigned of a promissory note and warrant. The undersigned represents that he/she has read and understands the Security Agreement. The undersigned hereby certifies to NovaMin that: (i) the undersigned has full power and authority under all applicable laws to execute the Security Agreement; and (ii) the undersigned reads and understands the Security Agreement.

SECURED PARTY:

May 31, 2004  
[Date Executed]

A. Scott Crockett, Jr.  
[signature]

A. Scott Crockett, Jr.  
[print or type name]

\_\_\_\_\_  
[Signature of Spouse if Co-Owner]

\_\_\_\_\_  
[Print or type name of Spouse if Co-Owner]  
[Spouse must sign if Co-Owner]

3639 Fox Meadow Ct.  
[address]  
Jaxxettsville, MD 21084

Telephone: 410-557-8442

Fax: 410-557-0692

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TRADEMARK

**NOVAMIN TECHNOLOGY, INC.**  
**SECURITY AND COLLATERAL AGENT AGREEMENT**  
**SIGNATURE PAGE FOR INDIVIDUALS**

Your signature on this Individual Signature Page evidences your agreement to be bound by the Security and Collateral Agent Agreement dated May 25, 2004 between NovaMin Technology, Inc. ("NovaMin") and various other parties (the "Security Agreement") in connection with the delivery by NovaMin to the undersigned of a promissory note and warrant. The undersigned represents that he/she has read and understands the Security Agreement. The undersigned hereby certifies to NovaMin that: (i) the undersigned has full power and authority under all applicable laws to execute the Security Agreement; and (ii) the undersigned reads and understands the Security Agreement.

SECURED PARTY:

May 28, 2004  
 [Date Executed]

2424 MURFORD DR  
 [address]  
FALLSTON, MD  
21047

[Signature]  
 [signature]

GARY J. DOWEL  
 [print or type name]

Telephone: 410-488-9200 x 160

[Signature of Spouse if Co-Owner]

Fax: \_\_\_\_\_

[Print or type name of Spouse if Co-Owner]  
 [Spouse must sign if Co-Owner]

# 1929561\_v1

TRADEMARK



**NOVAMIN TECHNOLOGY, INC.**  
**SECURITY AND COLLATERAL AGENT AGREEMENT**  
**SIGNATURE PAGE FOR INDIVIDUALS**

Your signature on this Individual Signature Page evidences your agreement to be bound by the Security and Collateral Agent Agreement dated May 25, 2004 between NovaMin Technology, Inc. ("NovaMin") and various other parties (the "Security Agreement") in connection with the delivery by NovaMin to the undersigned of a promissory note and warrant. The undersigned represents that he/she has read and understands the Security Agreement. The undersigned hereby certifies to NovaMin that: (i) the undersigned has full power and authority under all applicable laws to execute the Security Agreement; and (ii) the undersigned reads and understands the Security Agreement.

SECURED PARTY:

June 29, 2004  
 [Date Executed]

Michael Hervey, Jr.  
 [signature]

MICHAEL C. HERVEY, JR. U/A/O 6/2/98  
 [print or type name]

P.O. Box 100  
 [address]  
MONTCHANIN, DE 19710

Telephone: (010) 925-0400

Fax: (010) 925-0417

[Signature of Spouse if Co-Owner]

[Print or type name of Spouse if Co-Owner]

[Spouse must sign if Co-Owner]

# 1029361\_v1

TRADEMARK

**NOVAMIN TECHNOLOGY, INC.**  
**SECURITY AND COLLATERAL AGENT AGREEMENT**  
**SIGNATURE PAGE FOR INDIVIDUALS**

Your signature on this Individual Signature Page evidences your agreement to be bound by the Security and Collateral Agent Agreement dated May 25, 2004 between NovaMin Technology, Inc. ("NovaMin") and various other parties (the "Security Agreement") in connection with the delivery by NovaMin to the undersigned of a promissory note and warrant. The undersigned represents that he/she has read and understands the Security Agreement. The undersigned hereby certifies to NovaMin that: (i) the undersigned has full power and authority under all applicable laws to execute the Security Agreement; and (ii) the undersigned reads and understands the Security Agreement.

SECURED PARTY:

10-29-06, 2004  
 [Date Executed]

[Signature]  
 [signature]

William M. Henschel  
 [print or type name]

\_\_\_\_\_  
 [Signature of Spouse if Co-Owner]

\_\_\_\_\_  
 [Print or type name of Spouse if Co-Owner]  
 [Spouse must sign if Co-Owner]

2956 Eagle Creek  
 [address] Shelburne PA 19080

Telephone: 610-767-2451

Fax: 610-767-5827

# 1929861\_v1

TRADEMARK

**NOVAMIN TECHNOLOGY, INC.**  
**SECURITY AND COLLATERAL AGENT AGREEMENT**  
**SIGNATURE PAGE FOR INDIVIDUALS**

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SECURED PARTY:

June 1 2004  
 [Date Executed]

Bannus Hudson  
 [signature]

Bannus Hudson  
 [print or type name]

\_\_\_\_\_  
 [Signature of Spouse if Co-Owner]

\_\_\_\_\_  
 [Print or type name of Spouse if Co-Owner]  
 [Spouse must sign if Co-Owner]

10 Arden Rd  
 [address] Berkeley, CA 94704

Telephone: 925-609-6085

Fax: 925-609-6334

# 1929861\_v1

TRADEMARK



**NOVAMIN TECHNOLOGY, INC.**  
**SECURITY AND COLLATERAL AGENT AGREEMENT**  
**SIGNATURE PAGE FOR INDIVIDUALS**

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SECURED PARTY:

2915 NW 27<sup>TH</sup> TERRACE  
 [address] GAINESVILLE, FL 32605

JULY 8, 2004  
 [Date Executed]

David T. Jennings  
 [signature]

DAVID T. JENNINGS  
 [print or type name]

Telephone: (352) 335-3646

[Signature of Spouse if Co-Owner]

Fax: (352) 335-3646

[Print or type name of Spouse if Co-Owner]  
 [Spouse must sign if Co-Owner]

# 1929861\_v1

TRADEMARK

**NOVAMIN TECHNOLOGY, INC.**  
**SECURITY AND COLLATERAL AGENT AGREEMENT**  
**SIGNATURE PAGE FOR INDIVIDUALS**

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SECURED PARTY:

JUNE 7, 2004, 2004  
 [Date Executed]

6621 WEYMOUTH CT.  
 [address]  
BALTIMORE, MD 21212

✓ *Helen T. Johnston*  
 [signature]  
HELEN T. JOHNSTON  
 [print or type name]

Telephone: 410-377-7030

[Signature of Spouse if Co-Owner]

Fax: \_\_\_\_\_

[Print or type name of Spouse if Co-Owner]  
 [Spouse must sign if Co-Owner]

# 1929861\_v1

**NOVAMIN TECHNOLOGY, INC.**  
**SECURITY AND COLLATERAL AGENT AGREEMENT**  
**SIGNATURE PAGE FOR INDIVIDUALS**

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SECURED PARTY:

300 E. JOPPA ROAD  
 [address] TOWSON MD 21286

Telephone: 410 - 823 - 3373  
 Fax: 410 - 823 5274

June 1, 2004  
 [Date Executed]

Leonard L. Maranto  
 [signature]

LEONARD L. MARANTO  
 [print or type name]

\_\_\_\_\_  
 [Signature of Spouse if Co-Owner]

\_\_\_\_\_  
 [Print or type name of Spouse if Co-Owner]  
 [Spouse must sign if Co-Owner]

# 1929861\_v1

NOVAMIN TECHNOLOGY, INC.

SECURITY AND COLLATERAL AGENT AGREEMENT

SIGNATURE PAGE FOR ENTITIES

Your signature on this Entity Signature Page evidences the agreement of the Purchaser Entity named below to be bound by the Security and Collateral Agent Agreement dated May 25, 2004 between NovaMin Technology, Inc. ("NovaMin") and various other parties (the "Security Agreement") in connection with the delivery by NovaMin to the undersigned of a promissory note and warrant. The undersigned trustee, partner, managing director, or corporate officer, hereby certifies to NovaMin that (i) the undersigned has full power and authority from the beneficiaries, partners, shareholders, members or directors, as the case may require under all applicable laws, of the entity named below to execute the Security Agreement on behalf of the entity; (ii) the execution of the Security Agreement has been affirmatively authorized by the governing board of such entity and is not prohibited by the governing documents of such entity; and (iii) the undersigned reads and understands the Security Agreement.

PURCHASER:

June 3, 2004  
[Date Executed]

4425 CORPORATION LANE  
[address] SUITE 400

VIRGINIA BEACH, VA 23462

Telephone: 757-490-3141

Fax: 757-490-0206

MARC ASSOCIATES, L.L.C.  
[Print or type complete name of entity above]

By: [Signature]  
[Signature of authorized person]

RICHARD E. OLIVIERI  
[print or type name of authorized person]

# 1929602\_v1

**NOVAMIN TECHNOLOGY, INC.**  
**SECURITY AND COLLATERAL AGENT AGREEMENT**  
**SIGNATURE PAGE FOR INDIVIDUALS**

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SECURED PARTY:

JULY 8, 2004  
 [Date Executed]

*William F. McLeod*  
 [signature]

WILLIAM F. McLEOD  
 [print or type name]

5525 S.W. 93<sup>RD</sup> WAY  
 [address]  
GAINESVILLE, FL 32608

Telephone: 352-335-7980

Fax: same

\_\_\_\_\_  
 [Signature of Spouse if Co-Owner]

\_\_\_\_\_  
 [Print or type name of Spouse if Co-Owner]  
 [Spouse must sign if Co-Owner]

# 1929361\_v1

TRADEMARK

**NOVAMIN TECHNOLOGY, INC.**  
**SECURITY AND COLLATERAL AGENT AGREEMENT**  
**SIGNATURE PAGE FOR INDIVIDUALS**

Your signature on this Individual Signature Page evidences your agreement to be bound by the Security and Collateral Agent Agreement dated May 25, 2004 between NovaMin Technology, Inc. ("NovaMin") and various other parties (the "Security Agreement") in connection with the delivery by NovaMin to the undersigned of a promissory note and warrant. The undersigned represents that he/she has read and understands the Security Agreement. The undersigned hereby certifies to NovaMin that: (i) the undersigned has full power and authority under all applicable laws to execute the Security Agreement; and (ii) the undersigned reads and understands the Security Agreement.

SECURED PARTY:

2145 Berkeley Rd  
 [address] Highland Park IL  
60035

Telephone: 847-949-3142

Fax: \_\_\_\_\_

June 2, 2004  
 [Date Executed]

[Signature]  
 [signature]  
Andrew J. Mills  
 [print or type name]

\_\_\_\_\_  
 [Signature of Spouse if Co-Owner]

\_\_\_\_\_  
 [Print or type name of Spouse if Co-Owner]  
 [Spouse must sign if Co-Owner]

# 1929361\_v1

TRADEMARK

**NOVAMIN TECHNOLOGY, INC.**  
**SECURITY AND COLLATERAL AGENT AGREEMENT**  
**SIGNATURE PAGE FOR ENTITIES**

Your signature on this Entity Signature Page evidences the agreement of the Purchaser Entity named below to be bound by the Security and Collateral Agent Agreement dated May 25, 2004 between NovaMin Technology, Inc. ("NovaMin") and various other parties (the "Security Agreement") in connection with the delivery by NovaMin to the undersigned of a promissory note and warrant. The undersigned trustee, partner, managing director, or corporate officer, hereby certifies to NovaMin that: (i) the undersigned has full power and authority from the beneficiaries, partners, shareholders, members or directors, as the case may require under all applicable laws, of the entity named below to execute the Security Agreement on behalf of the entity; (ii) the execution of the Security Agreement has been affirmatively authorized by the governing board of such entity and is not prohibited by the governing documents of such entity; and (iii) the undersigned reads and understands the Security Agreement.

PURCHASER:

          MAY 27           2004  
 [Date Executed]

P.O. Box 47050  
 [address] JACKSONVILLE, FL  
32247

PENTAGON PROPERTIES  
 [Print or type complete name of entity above]

By: J.C. Demetree, Jr.  
 [Signature of authorized person]

Telephone: 904-398-7350  
 Fax: 904-396-5063

J.C. DEMETREE, JR.  
 [print or type name of authorized person]

# 192902\_v1

**NOVAMIN TECHNOLOGY, INC.**  
**SECURITY AND COLLATERAL AGENT AGREEMENT**  
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SECURED PARTY:

7-8-04 \_\_\_\_\_, 2004  
 [Date Executed]

7821 NW 51 Dr.  
 \_\_\_\_\_  
 [address]

*R. Scott*  
 \_\_\_\_\_  
 [signature]

Gainesville FL 32653  
 \_\_\_\_\_

Randolph Scott  
 \_\_\_\_\_  
 [print or type name]

Telephone: 352-371-6293  
 \_\_\_\_\_

\_\_\_\_\_  
 [Signature of Spouse if Co-Owner]

Fax: \_\_\_\_\_

\_\_\_\_\_  
 [Print or type name of Spouse if Co-Owner]  
 [Spouse must sign if Co-Owner]

# 1929361\_v1



**NOVAMIN TECHNOLOGY, INC.**  
**SECURITY AND COLLATERAL AGENT AGREEMENT**  
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SECURED PARTY:

June 1, \_\_\_\_\_, 2004  
 [Date Executed]

1822 NOTRE DAME AVENUE  
 [address] LUTHERVILLE MD 21093

Lee M. Seabolt  
 [signature]

LEE M. SEABOLT  
 [print or type name]

Telephone: 410 252-1545

\_\_\_\_\_  
 [Signature of Spouse if Co-Owner]

Fax: 410 252-1545

\_\_\_\_\_  
 [Print or type name of Spouse if Co-Owner]  
 [Spouse must sign if Co-Owner]

# 1929361\_v1

TRADEMARK

**NOVAMIN TECHNOLOGY, INC.**  
**SECURITY AND COLLATERAL AGENT AGREEMENT**  
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**SECURED PARTY:**

421 Bridle Terrace  
 [address]  
Emeryville CA 92024

Telephone: 858 3541484

Fax: 858 756 0139

May 31 2004  
 [Date Executed]

[Signature]  
 [signature]

Lewis J. Skusta  
 [print or type name]

[Signature of Spouse if Co-Owner]

[Print or type name of Spouse if Co-Owner]  
 [Spouse must sign if Co-Owner]

# 1929861\_v1

TRADEMARK

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SECURED PARTY:

6-1-04, 2004  
 [Date Executed]

W. King Smith  
 [signature]

W. KING SMITH  
 [print or type name]

\_\_\_\_\_  
 [Signature of Spouse if Co-Owner]

\_\_\_\_\_  
 [Print or type name of Spouse if Co-Owner]  
 [Spouse must sign if Co-Owner]

[address] 1103 SUNSET DRIVE

BEL AIR MD 21014

Telephone: 410-638-8183

Fax: 410-893-8706

# 1929361\_v1

TRADEMARK

**NOVAMIN TECHNOLOGY, INC.**  
**SECURITY AND COLLATERAL AGENT AGREEMENT**  
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SECURED PARTY:

June 1, 2004  
 [Date Executed]

1619 St. Margaret's Rd  
 [address]  
Annapolis, MD 21401

Sharon A. Yutzg  
 [signature]

Sharon A. Yutzg  
 [print or type name]

Telephone: (410) 924-1883  
 Cell: (443) 324-7436  
 Fax:

\_\_\_\_\_  
 [Signature of Spouse if Co-Owner]

\_\_\_\_\_  
 [Print or type name of Spouse if Co-Owner]  
 [Spouse must sign if Co-Owner]

# 1929361\_v1

TRADEMARK

**Schedule A**

**Secured Parties**

USBM, LLC

Jules Blake

Blue Ridge Associates

Sharon W. and David J. Britton, Jr.

A. Scott Crockett, Jr.

Gary Daniel

J. C. Demetree, Jr.

Patrick J. Goles

Herbert Greenbaum

Michael Hershey, Sr.

William Hinchey

Barnus B. Hudson

David Jennings

Helen T. Johnson

Leonard Maranto

MARC Associates

William F. McLeod

Andrew J. Mills

Randolph Scott

Lee Seabolt

Lewis J. Shuster

W. King Smith

Sharon Yutzy

Schedule A

**TRADEMARK**  
**REEL: 002900 FRAME: 0664**

**Schedule B**

**Intellectual Property**

US Patent # 5,735,942 "Compositions containing bioactive glass and their use in treating hypersensitivity," owned jointly by Grantor and the University of Maryland at Baltimore.

US Patent # 6,086,374 "Methods of treatment using bioactive glass," owned jointly by Grantor and the University of Maryland at Baltimore, and licensed to the Company.

US Patent # 6,244,871 "Bioactive glass compositions and methods of treatment," owned jointly by Grantor and the University of Maryland at Baltimore, and licensed to the Company.

US Patent # 6,338,751 "Compositions containing bioactive glass and their use in treating tooth hypersensitivity," owned jointly by Grantor and the University of Maryland at Baltimore.

US Patent # 6,365,132B1 "Methods and Compositions for whitening teeth," owned jointly by Grantor and the University of Maryland at Baltimore.

Tradenames: NovaMin (a registered trademark assigned owned by US Biomaterials Corp. (which owns 100% of the outstanding common stock of the Company) to the Company; Oravive (not a registered trademark).

**Schedule 3.2**

**Tradenames, Federal Taxpayer Identification Number and  
Organizational Identification Number**

Tradenames: NovaMin, Oravive

FEIN: 33-1027217

Organizational Identification Number: (MD) D07015399  
(FL) F02000006174

# 1919186\_v8

**AMENDMENT TO SECURITY AND COLLATERAL AGENT AGREEMENT**

This Amendment to Security and Collateral Agent Agreement (this "Amendment"), dated as of June 23, 2004, between NovaMin Technology, Inc. (the "Grantor"), and USBM, LLC, as collateral agent (the "Collateral Agent"), is an amendment to that certain Security and Collateral Agent Agreement (the "Original Agreement") dated as of May 25, 2004 among the Grantor, the Collateral Agent, USBM, LLC, as a secured party, those parties listed on Schedule A of the Original Agreement and such other parties joining in the Original Agreement pursuant to SECTION 8.11 thereof. This Amendment is in accordance with and pursuant to SECTION 8.2 of the Original Agreement. Capitalized terms not defined herein have the meaning assigned to such terms in the Original Agreement.

In consideration of the premises and the mutual agreements contained herein, the parties agree to amend the Original Agreement on the following terms and conditions:

1. The Original Agreement is hereby amended as follows:

The last paragraph of Schedule B: Intellectual Property is hereby deleted and replaced with the following:

"Tradenames: NOVAMIN (U.S. Trademark Registration No. 2,792,116); Oravive (common law trademark not registered)."

2. Except as modified hereby, all terms and conditions of the Original Agreement are ratified, reaffirmed and confirmed and continue in full force and effect as therein written.

3. This Amendment may be executed in one or more counterparts, each of which will be deemed an original copy of this Amendment and all of which, when taken together, will be deemed one and the same agreement. The exchange of copies of this Amendment and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Amendment as to the parties and may be used in lieu of the original Amendment for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

4. This Amendment will be governed by and construed under the laws of the State of Maryland without regard to conflicts-of-laws principles that would require the application of any other law.

*[Signatures appear on the following page.]*



The parties have caused this Amendment to be duly executed and delivered as of the date first above written.

**GRANTOR:**

NovaMin Technology, Inc.

By: *Randolph Scott*  
Randolph Scott  
President and CEO

Address:  
One Progress Boulevard  
Suite 23  
Alachua, Florida 32615  
Facsimile: 386-418-1465

**COLLATERAL AGENT:**

USBM, LLC

By: *A. Scott Creakett, Jr.*  
Print Name: *D. Scott Creakett, Jr.*  
Title: *Managing Member*

Address: *3639 Fox Meadow Ct*  
*Fayetteville, MO 65704*

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