

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM324481

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Vital Pharmaceuticals, Inc.		11/30/2010	CORPORATION: FLORIDA
RECEIVING PARTY DATA			
Name:	Fifth Third Bank		
Street Address:	38 Fountain Square Plaza		
City:	Cincinnati		
State/Country:	OHIO		
Postal Code:	45263		
Entity Type:	Banking Corporation: OHIO		
PROPERTY NUMBERS Total: 133			
Property Type	Number	Word Mark	
Serial Number:	86421076	VPX	
Serial Number:	86421010	STAR BLAST	
Serial Number:	86421006	NEMESIS	
Serial Number:	86064178	ZI	
Serial Number:	86156324	SUPER CREATINE	
Serial Number:	86154999	MUSCLE PILLS	
Serial Number:	86274159	RARE	
Registration Number:	4610965	PEPTIDEX	
Serial Number:	86386854	HYDRO FORCE	
Serial Number:	86070367	BRICK	
Serial Number:	86274115	RARE	
Serial Number:	86363300	BANG STAR BURSTS	
Registration Number:	4587403	REVOLUTIONARY SUPER CARB MATRIX	
Serial Number:	86359295	EINSTEIN WATER	
Serial Number:	86358865	BONG	
Serial Number:	86358856	BONG	
Registration Number:	4584588	FREEZE & BURN	
Serial Number:	86321798	MTORQ1	
Serial Number:	86173373	ICE COLD CREATINE	
Serial Number:	86295123	HYDRO FUSION	
TRADEMARK			

CH \$3340.00 86421076

Property Type	Number	Word Mark
Serial Number:	86295116	HYDRO FUSION
Serial Number:	86278879	MASTER BLASTER
Serial Number:	86234949	INSTANT IQ
Serial Number:	86220121	MASTER BLASTER
Serial Number:	86209513	HAAM
Serial Number:	86188968	CELL SWELL
Serial Number:	86188096	CELL SWELL
Serial Number:	86173269	COGNITIVE CREATINE
Serial Number:	86144294	ONE
Serial Number:	86143256	MUSCLE MAYHEM
Serial Number:	86115592	XVOX
Registration Number:	4482864	BLUE RAZZ
Registration Number:	4525830	LIFE LIFT
Serial Number:	86065585	FAST 5
Serial Number:	86060959	V360
Serial Number:	86059416	FAT FIX
Registration Number:	4528374	FIBERTEQ
Serial Number:	85886665	CREMTOR
Serial Number:	85962381	ATHLETE ARMOR
Serial Number:	85693897	JACK STACK
Serial Number:	85898115	DRONE
Serial Number:	85880073	RADAR
Serial Number:	85873397	MEDIBEDIC
Serial Number:	85840268	COLLAGEX
Registration Number:	4554528	POWER SHOCK AMINO NITRATE
Registration Number:	4478072	GIANT GAINS
Registration Number:	4536197	SRO
Registration Number:	4455025	MEDIVIN
Registration Number:	4400225	AROMADEX
Serial Number:	85783219	EQUIP
Registration Number:	4365882	12 GAUGE SHOTGUN
Registration Number:	4411770	VIVO 360
Registration Number:	4358702	CARBONX
Registration Number:	4206513	SYNTHESIZE NO
Registration Number:	4206512	NO SHOTGUN
Registration Number:	3545129	BANG
Registration Number:	3411037	SYNTHESIZE
Registration Number:	3510025	ZERO IMPACT DIET
Registration Number:	3510024	ZI DIET

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REEL: 005409 FRAME: 0002

Property Type	Number	Word Mark
Registration Number:	3786263	LIQRUSH
Registration Number:	3277709	SEXCESS
Registration Number:	3301867	FAT ASSAULT
Registration Number:	3295283	SHOTGUN
Registration Number:	3573985	BLACK PEARL
Registration Number:	3667852	INVENTEX
Registration Number:	3231231	VAZODEX
Registration Number:	3548207	SWORD
Registration Number:	3200464	GET JACKED WITH BLACK
Registration Number:	2857015	REDLINE
Registration Number:	3178028	CRAVING CONTROL
Registration Number:	3259973	BLACK PEARL
Registration Number:	3545057	ZEROTEIN
Registration Number:	3617495	REDLINE CAFE
Registration Number:	3279295	GLUCOSA CREAM
Registration Number:	2830222	VPX
Registration Number:	4347048	PRINCESS
Registration Number:	4403609	COVALEX
Registration Number:	3901767	REDLINE ULTRA Hardcore
Registration Number:	4368816	REDLINE THE ULTIMATE ENERGY RUSH
Registration Number:	3774787	HPM HUMAN PERFORMANCE MAGAZINE
Registration Number:	3877645	PROTEIN RUSH
Registration Number:	3871188	PROTEIN RUSH
Registration Number:	3682617	POWER PUMP 7
Registration Number:	3682616	POWER PUMP 7
Registration Number:	4230282	MHF-1
Registration Number:	3758895	POWER SHOCK
Registration Number:	3758894	POWER SHOCK
Registration Number:	4376670	MELTDOWN FAT ASSAULT
Registration Number:	3750533	STEALTH
Registration Number:	3750532	STEALTH
Registration Number:	4225901	CREATINE PLASMA
Registration Number:	3590904	ZEROTEIN
Registration Number:	3582936	VPX
Registration Number:	3521858	PRINCESS
Registration Number:	3481580	SUCRALEAN
Registration Number:	3451595	7-HOUR ENERGY BOOST
Registration Number:	3451594	7-HOUR ENERGY BOOST
Registration Number:	3451593	7 HOUR

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Property Type	Number	Word Mark
Registration Number:	3451592	7 HOUR
Registration Number:	3446321	POWER RUSH
Registration Number:	3632666	COP
Registration Number:	4023048	FRICTION
Registration Number:	4023047	FRICTION
Serial Number:	77301484	REDLINE
Registration Number:	3613216	MELTDOWN
Registration Number:	3623775	MELTDOWN
Registration Number:	3422622	CMZ
Registration Number:	3648172	POWER PUMP
Registration Number:	3442064	REDLINE PRINCESS
Registration Number:	3442063	REDLINE PRINCESS
Registration Number:	3613109	MELTDOWN
Registration Number:	3414224	ZEROIMPACT
Registration Number:	3460750	REDLINE XTREME ULTIMATE ENERGY RUSH
Registration Number:	3460749	REDLINE XTREME ULTIMATE ENERGY RUSH
Registration Number:	3603239	POWER PUMP
Registration Number:	3359350	REDLINE
Registration Number:	3347898	REDLINE XTREME
Registration Number:	3886584	PRISTINE PROTEIN
Registration Number:	3667161	REDLINE
Registration Number:	3867813	REDLINE
Registration Number:	3347829	REDLINE XTREME
Registration Number:	3603045	MELTDOWN
Registration Number:	2888719	CLENBUTRX
Registration Number:	2959291	VPX SPORTS
Registration Number:	2888720	HEMOGEX
Registration Number:	2891038	MICELLEAN
Registration Number:	2883618	HUMAN PERFORMANCE
Registration Number:	2740290	MELTDOWN
Registration Number:	2947276	SYNGEX
Registration Number:	2675001	THINFAT
Registration Number:	2783383	ZERO CARB
Registration Number:	2004476	DIETEC
Registration Number:	1987100	DIETEC

CORRESPONDENCE DATA

Fax Number: 8132294133

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent

TRADEMARK

REEL: 005409 FRAME: 0004

using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.

Phone: 813-223-7000
Email: trademarks@cfjblaw.com
Correspondent Name: William G. Giltinan
Address Line 1: PO Box 3239
Address Line 2: Attn: IP Dept.
Address Line 4: Tampa, FLORIDA 33601-3239

ATTORNEY DOCKET NUMBER: 54823-02161

NAME OF SUBMITTER: William G. Giltinan

SIGNATURE: /William G. Giltinan/

DATE SIGNED: 11/26/2014

Total Attachments: 19

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**AMENDMENT TO AND REAFFIRMATION
OF SECURITY DOCUMENTS**

THIS AMENDMENT TO AND REAFFIRMATION OF SECURITY DOCUMENTS is made and entered into as of the 30th day of November, 2010, by VITAL PHARMACEUTICALS, INC., a Florida corporation ("Borrower") in favor of FIFTH THIRD BANK, an Ohio banking corporation, successor by merger with Fifth Third Bank, a Michigan banking corporation ("Lender").

WITNESSETH:

WHEREAS, Lender has previously extended financing to Borrower in accordance with the terms of that certain Promissory Note in the original principal amount of Two Million and 00/100 Dollars (\$2,000,000.00) executed by Borrower in favor of Lender dated August 6, 2009 (the "\$2,000,000.00 Note"), that certain Promissory Note in the original principal amount of Seven Hundred Fifty Thousand and 00/100 Dollars (\$750,000.00) executed by Borrower in favor of Lender dated August 4, 2008 (the "\$750,000.00 Note"), and that certain Amended and Restated Promissory Note ("Revolving Line of Credit") in the original principal amount of Seven Million and 00/100 Dollars (\$7,000,000.00) executed by Borrower in favor of Lender dated August 6, 2009 (the "\$7,000,000.00 Note", the \$7,000,000.00 Note, the \$2,000,000.00 Note and the \$750,000.00 Note sometimes hereinafter collectively referred to as the "Existing Notes"), and the loans in the original aggregate principal amount of Nine Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$9,750,000.00) evidenced thereby hereinafter collectively referred to as the "Existing Loan"); and

WHEREAS, as security for the Existing Notes and the Existing Loan, Borrower executed and delivered certain security agreements and documents in favor of Lender as more particularly described herein; and

WHEREAS, contemporaneously herewith Lender has agreed to increase the Existing Loan as evidenced by that certain Amended and Restated Promissory Note ("Revolving Line of Credit") in the principal amount of Ten Million and 00/100 Dollars (the "\$10,000,000.00 Note"), which \$10,000,000.00 Note amends, restates, increases and replaces in its entirety the \$7,000,000.00 Note; and

WHEREAS, the \$10,000,000.00 Note, the \$2,000,000.00 Note and the \$750,000.00 Note are sometimes hereinafter collectively referred to as the "Notes", and the loans evidenced by the Notes in the original aggregate principal amount of Twelve Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$12,750,000.00) are sometimes hereinafter collectively referred to as the "Loan" or the "Loans"; and

WHEREAS, Borrower in order to induce Lender to enter into the Loans has agreed to amend and reaffirm the security interests and agreements provided by the security agreement and documents originally executed in connection with the Existing Notes.

NOW, THEREFORE, in consideration of the premises and in order to induce Lender to effectuate the Loan, as evidenced by the Notes, Borrower hereby agrees as follows:

1. The premises as set forth above are hereby acknowledged to be true and correct and are incorporated herein by reference.
2. Borrower has previously executed the following security agreement and document in connection with the Existing Notes and the Existing Loan:
 - A. Security Agreement entered into by and between Borrower and Lender dated as of August 6, 2009
 - B. UCC Undertaking Letter Agreement entered into by and between Borrower and Lender dated August 6, 2009

The foregoing security agreement and document and any other documents executed by Borrower in favor of Lender in connection with the Existing Notes and the Existing Loan are collectively referred to as the "Security Documents".

3. The Security Documents are hereby amended such that all references to the Note, the Notes, the Loan, the Loans, the Obligations, the Indebtedness, and/or the Liabilities set forth in the Security Documents, shall be deemed to refer to and include the Notes and the Loans.

4. Borrower does hereby reaffirm and confirm all pledges, assignments, security interests, covenants and agreements represented and created by way of the Security Documents and reaffirms all representations, warranties and covenants set forth therein as if the same were being made on the date hereof. As set forth above, the Security Documents shall be fully applicable to the Notes and the Loan, and shall secure the entire indebtedness of Borrower to Lender whether now in existence or hereafter created.

5. Borrower as an inducement to Lender to accept this Agreement and to effectuate the Loan as evidenced by the Notes, does hereby acknowledge and agree that Lender is not in default in any manner with regard to the Security Documents or the indebtedness secured thereby. Borrower warrants and represents that there are no claims, counterclaims, defenses or offsets of any nature against Lender or the obligations of Borrower as evidenced by the Notes and as referenced in the Security Documents; any and all such claims, counterclaims, defenses or offsets of any nature being hereby expressly waived and released.

6. This Amendment and Reaffirmation Agreement represents the entire agreement between the parties hereto and shall be interpreted in accordance with the internal laws, (and not the laws of conflict), of the State of Florida.

WAIVER OF TRIAL BY JURY. BORROWER AND LENDER HEREBY MUTUALLY, KNOWINGLY, WILLINGLY AND VOLUNTARILY WAIVE THEIR RIGHT TO TRIAL BY JURY AND NO PARTY NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR

LEGAL REPRESENTATIVE OF THE PARTIES (ALL OF WHOM ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PARTIES") SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER LITIGATION PROCEEDING BASED UPON OR ARISING OUT OF THIS AGREEMENT OR THE LOAN DOCUMENTS OR ANY INSTRUMENT EVIDENCING, SECURING OR RELATING TO THE INDEBTEDNESS OR OTHER OBLIGATIONS SECURED HEREBY OR ANY RELATED AGREEMENT OR INSTRUMENT, ANY OTHER COLLATERAL FOR THE INDEBTEDNESS SECURED HEREBY OR ANY COURSE OF ACTION, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS RELATING TO THE LOANS OR TO THIS AGREEMENT. THE PARTIES ALSO WAIVE ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED BY THE PARTIES. THE WAIVER CONTAINED HEREIN IS IRREVOCABLE, CONSTITUTES A KNOWING AND VOLUNTARY WAIVER, AND SHALL BE SUBJECT TO NO EXCEPTIONS. LENDER HAS IN NO WAY AGREED WITH OR REPRESENTED TO BORROWER OR ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

IN WITNESS WHEREOF, Borrower has executed this Amendment to and Reaffirmation of Security Documents as of the day and year first above written.

Signed, sealed and delivered in the presence of:

BORROWER:

[Signature] / Alice Meikle

VITAL PHARMACEUTICALS, INC.,
a Florida corporation

[Signature] / KYE MARSHALL

By: [Signature]
JOHN H. OWOC, President

(Corporate Seal)



SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made and entered into as of the 6th day of August, 2009, by and between VITAL PHARMACEUTICALS, INC., a Florida corporation (sometimes hereinafter referred to as "Debtor"), and FIFTH THIRD BANK, a Michigan banking corporation ("Secured Party").

WITNESSETH:

WHEREAS, Secured Party has agreed to extend certain financing to the Debtor in accordance with the terms and provisions of that certain Amended and Restated Promissory Note (Revolving Line of Credit) of even date herewith in the principal amount of Seven Million and 00/100 Dollars (\$7,000,000.00) executed by the Debtor in favor of Secured Party, that certain Promissory Note of even date herewith in the principal amount Two Million and 00/100 Dollars (\$2,000,000.00) executed by Debtor in favor of Secured Party, and that certain Promissory Note dated August 4, 2008 in the principal amount of Seven Hundred Fifty Thousand and 00/100 Dollars (\$750,000.00) executed by Debtor in favor of Secured Party (the above set forth promissory notes, as amended, extended and renewed from time to time, hereinafter collectively referred to as the "Note"), and an Amended and Restated Loan Agreement entered into by and between the Debtor, JOHN H. OWOC and Secured Party dated as of even date herewith (the "Loan Agreement"); and

WHEREAS, it is acknowledged that it is a condition precedent to the making of advances by Secured Party under the Note and the Loan Agreement that the Debtor shall have granted a security interest in certain assets of the Debtor in favor of Secured Party as hereinafter provided.

NOW, THEREFORE, in consideration of the premises, and in order to induce Secured Party to make advances under the Note and the Loan Agreement, Debtor hereby agrees as follows:

1. Creation and Grant of Securities. Debtor hereby grants, assigns, pledges, and hypothecates, in favor of Secured Party, a security interest in all property and assets of Debtor, including, without limitation, the property described and listed below and in all parts, accessories, attachments, additions, replacements, accessions, substitutions, increases, profits, income, distributions, proceeds and products thereof in any form (including, without limitation, insurance proceeds) together with all records relating thereto (the "Collateral"):

A. All accounts, accounts receivable, patents, trademarks, tradenames, licenses, franchises, general intangibles, contract rights and other obligations of any kind, whether now owned or hereafter acquired by Debtor and all proceeds of the foregoing and all rights now or hereafter existing in and to all security agreements, leases and other contracts securing or otherwise relating to any such accounts, contract rights, chattel paper instruments, general intangibles or obligations (any and all such accounts, contract rights, chattel paper instruments, general intangibles and obligations being the "Receivables"; and any and all such leases, security agreements and other contracts being the "Related Contracts"); all of Debtor's right, title and interest in, to and in respect of all goods relating to, or which by sale have resulted in Receivables, including without limitation, all goods described in invoices, documents, contracts or instruments, with respect to, or otherwise representing or evidencing any Receivables or other collateral, including, without limitation, all returned, reclaimed or repossessed goods, all deposit accounts, all books, records, ledger cards,

computer programs and other property and general intangibles evidencing or relating to the Receivables, and any other collateral, together with the file cabinets or containers in which the foregoing are stored, and all other general intangibles of every kind and description, and all proceeds, profits, deposits, products and accessions of and to all of the foregoing.

B. All of Debtor's right, title and interest as Lessee in and to all leases and rental arrangements of any property leased by Debtor, or any part thereof, heretofore made and entered into and in and to all leases and rental arrangements hereafter made and entered into by or on behalf of Debtor together with any and all guarantees of such leases or rental arrangements, and all present and future security deposits and advance rentals.

C. All equipment (as such term is defined in the Uniform Commercial Code, as in effect from time to time in the State of Florida), machinery, furniture, fixtures, computer hardware and software, hand and power tools, trucks, trailers, forklifts, automobiles and other motor vehicles, and heavy equipment in all of its forms, wherever located, now or hereafter acquired or existing, and all parts thereof and all accessions thereto (any and all such machinery, equipment, fixtures, parts and accessions being the "Equipment").

D. All inventory of Debtor in all of its forms, wherever located, now or hereafter existing, including, without limitation, raw materials, work in process, parts, components, assemblies, supplies and materials used or consumed in Debtor's business, finished goods and all other inventory of whatsoever kind or nature, wherever located, whether now owned or hereafter existing or acquired by Debtor, including, without limitation, all wrapping, packaging, advertising, shipping materials and all other goods consumed in Debtor's business, all labels and other devices, names or marks affixed or to be affixed thereto for purposes of selling or identifying the same or the seller or manufacturer thereof, and all of Debtor's right, title and interest therein and thereto; all books, records, documents, other property and general intangibles at any time relating to the inventory; all goods, wares and merchandise finished or unfinished, held for sale or lease or furnished or to be furnished under contracts of sale or service; all goods returned to or repossessed by Debtor; and all accessions thereto and products thereof (any and all such inventory, accessions and products being the "Inventory").

E. All fixtures, furniture, instruments, equipment, vehicles and any and all other personal property now owned or hereafter acquired by Debtor.

F. All of Debtor's deposit accounts, certificates of deposit, investment accounts, money market funds, mutual funds, and cash and currency authorized as legal tender in the United States of America and/or any other country.

G. All issues, deposits, products, rents, profits and proceeds derived of and from any and all of the foregoing collateral and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is the loss payee thereof) or any indemnity, warranty or guaranty, chose in action or judgment payable by reason of loss or damage to or otherwise with respect to any of the foregoing collateral.

The Collateral also includes other assets of the same or similar class or classes hereafter owned or acquired by Debtor, and Secured Party shall have a security interest in all such after

acquired assets and all parts, accessories, attachments, additions, replacements, accessions, substitutions, increases, profits, income, distributions, proceeds and products thereof in any form.

All of the above being located at the offices of the Debtor at 15751 SW 41st Street, Suite 300, Davie, Florida 33331 and/or any such other place or places as the above and foregoing Collateral may be located from time to time.

2. Security for Obligations. This Security Agreement secures the payment of any and all indebtedness, obligations and liabilities of any kind whatsoever of Debtor to Secured Party, and also to others to the extent of their participations granted to or interests therein created or acquired for them by Secured Party, now or hereafter existing, of every kind and description, whether matured or unmatured, direct or contingent, including obligations in respect to future advances, whether or not there shall have been made the initial advance under the Note, and whether for principal, interest, fees, expenses or otherwise, including, without limitation, all obligations of Debtor, whether now or hereafter existing: (a) under the Note and the Loan Agreement; (b) under this Security Agreement; and (c) under existing or future promissory notes of Debtor (all such obligations of Debtor being hereinafter referred to as the "Obligations").

3. Debtor to Remain Liable. Anything herein to the contrary notwithstanding: (a) Debtor shall remain liable under the contracts, leases, policies and agreements included in the Collateral to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Security Agreement had not been executed; (b) the exercise by Secured Party of any of the rights hereunder shall not release Debtor from any of its duties or obligations under contracts, leases, policies and agreements included in the Collateral; and (c) Secured Party shall not have any obligation or liability under the contracts, leases, policies and agreements included in the Collateral by reason of this Security Agreement, nor shall Secured Party be obligated to perform any of the obligations or duties of Debtor thereunder, or to take any action to collect or enforce any claim for payment assigned hereunder.

4. Debtor's Covenants, Warranties and Representations. Debtor covenants, warrants and represents the following:

(a) Except for the security interest granted hereby and except for the security interests set forth on Schedule "A" appended hereto and made a part hereof ("Permitted Liens"), Debtor is the sole owner of the Collateral, which Collateral is free of any liens, security interests or encumbrances, and Debtor will defend the Collateral against all claims or demands of any person at any time claiming the same or any interest therein.

(b) Each account constituting the Receivables is genuine and enforceable in accordance with its terms against the party obligated to pay the same (each an "Account Debtor").

(c) The amount represented by Debtor to Secured Party as owing by each Account Debtor is the correct amount actually and unconditionally owing by such Account Debtor, except for normal cash discounts where applicable.

(d) To the best of Debtor's knowledge, no Account Debtor has any defense, set-off, claim or counterclaim against Debtor which can be asserted against Secured Party whether in any proceeding to enforce the Receivables or otherwise.

(e) Debtor will notify Secured Party immediately of any default by any Account Debtor in payment or other performance of its obligations with respect to any Receivables.

(f) Debtor, without Secured Party's prior written consent, will not make or agree to make any alteration, modification or cancellation of or substitution for or credits, adjustments or allowances on any of the Receivables.

(g) Excepting for the Permitted Liens, none of the Collateral shall be subject to a security interest other than in favor of Secured Party.

(h) All books and records pertaining to the Collateral and portions of the Collateral shall be kept at the chief place of business of Debtor, which is located at 15751 SW 41st Street, Suite 300, Davie, Florida 33331. Debtor shall not remove said books and records and other information related to the Collateral or any portion of the Collateral located at said location without the prior written consent of Secured Party. The Collateral will not be wasted, misused or abused or deteriorated, except to the extent of ordinary wear and tear, and will not be used in violation of any law, ordinance or regulation of any governmental authority.

(i) This Security Agreement creates a valid and perfected first priority security interest in the Collateral, or Debtor's interest in the Collateral, securing the payment of the Obligations. Debtor has given such financing statements in favor of Secured Party, as may be required by Secured Party to ensure that all filings and other actions necessary or desirable to perfect such security interest have been duly taken.

(j) Debtor shall keep all personal property, Equipment and Inventory (other than Inventory solely consumed in the ordinary course of business) at Debtor's prime business location or at such other place as Debtor shall have previously notified Secured Party, or upon thirty (30) days prior written notice to Secured Party, at such other place or places as shall have been consented to in writing by Secured Party (in Secured Party's sole discretion) within said thirty (30) day time period.

(k) Debtor shall cause the Equipment and all other personal property to be maintained and preserved in the same condition, repair and working order as when new, ordinary wear and tear excepted, and in accordance with manufacturers' manuals and shall forthwith, or, in the case of any loss or damage to any of the personal property or Equipment as quickly as practicable after the occurrence thereof, make or cause to be made all repairs, replacements or other improvements in connection therewith which are necessary or desirable to such end. Debtor shall promptly furnish to Secured Party a statement respecting any loss or damage to any of the Equipment or personal property.

(l) Debtor shall pay promptly, when due, all property and any taxes, assessment and governmental charges or levies imposed upon and all claims (including, claims for labor, materials and supplies) against the Equipment, personal property and Inventory, except to the extent the validity thereof is being contested in good faith.

(m) No authorization, approval or other action by, and no notice to or filing with any governmental authority or regulatory body, or any other party is required: (i) for the grant by Debtor of the security interest granted hereby, or for the execution, delivery or performance of this Security Agreement by Debtor; or (ii) for the perfection of or the exercise by Secured Party of its rights and remedies hereunder, except for the filing of financing statements with the appropriate public authorities.

(n) The Collateral which needs to be insured shall be insured with such carriers and in such amounts and against such risks as shall be reasonably satisfactory to Secured Party, with policies payable to Secured Party as loss-payee. All policies of insurance shall provide for thirty (30) days written notice of cancellation to Secured Party, and Secured Party shall be furnished with the original policies or duplicates thereof. The insurance provisions are further set forth in Paragraph 6 herein.

(o) Debtor will pay when due all taxes and assessments upon the Collateral or its operation or use.

(p) At its option, and without any obligation to do so, Secured Party may discharge or pay any taxes, liens, security interests or other encumbrances at any time levied or placed on or against the Collateral or Debtor, and may pay for insurance on the Collateral and may pay for the Collateral's maintenance and preservation. Debtor agrees to reimburse Secured Party on demand for any such payment made or expense incurred pursuant to the foregoing authorizations, or, at Secured Party's option, any payment made by Secured Party may be added to the balance of the Obligations then owing.

(q) The Collateral will not, without the prior written consent of Secured Party, be sold, transferred, disposed of, or substantially modified, except in the usual and ordinary course of business.

(r) Debtor will immediately notify Secured Party if any of Debtor's Receivables or Related Contracts arise out of contracts with the United States Government or any department, agency or instrumentality thereof, and will execute any instruments and take any steps required by Secured Party in order that all monies due and to become due under any such Receivables and Related Contracts shall be assigned to Secured Party and notice thereof given to the United States Government under the Federal Assignment of Claims Act.

(s) Debtor will not remove the Collateral from the State of Florida, nor change the location of its chief executive office, without the prior written consent of Secured Party.

(t) The Debtor shall comply with all terms and provisions of the franchises, licenses and all other written agreements which constitute a part of the Collateral, and, shall fully and timely perform all material obligations to be complied with by the Debtor in connection with the same, such that all franchises, licenses and agreements are maintained in good standing and in full force and effect.

(u) Debtor hereby authorizes Secured Party to file such financing statements, amendment statements and continuation statements relating to the Collateral as Secured Party may deem appropriate. Debtor shall provide, from time to time, alone or with Secured Party, any financing statements or other documents, and do such other act or acts considered by Secured Party to be necessary or desirable to perfect or protect the security interest hereby created, and shall pay all costs and expenses (including, without limitation, reasonable fees and expenses of counsel and filing fees) related to the preparation and filing of any financing statements, amendment statements, continuation statements, or other documents related to the perfection or protection of the security interest hereby created.

(v) The Debtor shall at all times comply with all terms and provisions of the Loan Agreement.

5. Further Assurances. Debtor shall from time to time, at Debtor's expense, promptly execute and deliver all further instruments and documents, and take all further actions, that may be necessary or that Secured Party may request in order to perfect and protect any security interest granted or purported to be granted hereby, or to enable the Secured Party to exercise and enforce its rights and remedies hereunder with respect to any of the Collateral. Without limiting the generality of the foregoing, Debtor shall: (a) mark conspicuously each chattel paper included in the Receivables and each Related Contract and, at the request of Secured Party, each of its records pertaining to the Collateral with a legend, in form and substance satisfactory to Secured Party, indicating that such chattel paper, Related Contract or Collateral is subject to the security interest granted hereby; (b) if any Receivable shall be evidenced by a promissory note or other instrument or chattel paper, deliver and pledge to Secured Party such note, instrument or chattel paper duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to Secured Party; (c) hold and preserve the books and records pertaining to the Collateral as set forth in Paragraph 4(h) above, preserve any chattel papers related to the Receivables, and permit representatives of Secured Party at any time during normal business hours to inspect and make abstracts from such books, records and chattel papers; and (d) furnish to Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Secured Party may reasonably request, all in reasonable detail. All costs and expenses associated with any of the above set forth actions (including, without limitation, reasonable fees and expenses of counsel and filing fees) shall be the sole responsibility of Debtor.

6. Insurance. Debtor shall maintain liability insurance, worker's compensation insurance, business interruption insurance and hazard insurance (with fire, extended coverage, vandalism and mischief protection) in accordance with the following provisions:

(a) Debtor shall, at its own expense, maintain insurance with respect to the Equipment and Inventory and all other personal property in such amounts, against such risks, in such form and with such insurers, as shall be satisfactory to Secured Party. Debtor shall additionally, at its own expense, maintain business interruption insurance in such amounts as shall be required by Secured Party. Each policy for liability insurance shall provide for all losses to be paid on behalf of Secured Party and Debtor as its interests may appear. Each policy for property damage insurance and business interruption insurance shall provide for all losses to be paid directly to Secured Party upon the request of Secured Party. Each such policy shall in addition (i) name Secured Party as an insured

and as loss payee thereunder (without any representation or warranty by or obligation upon Secured Party), (ii) contain an agreement by the insurer that any loss thereunder shall be payable to Secured Party notwithstanding any action, inaction or breach of representation or warranty by Debtor, (iii) provide that there shall be no recourse against Secured Party for payment of premiums or other amounts with respect thereto, (iv) provide that at least thirty (30) days prior written notice of cancellation or of lapse shall be given to Secured Party by the insurer, and (v) provide that upon notification from Secured Party, all payments pursuant to such policies shall be paid directly to Secured Party. Debtor shall deliver to Secured Party original or duplicate policies of such insurance as often as Secured Party may reasonably request.

(b) Reimbursement under any liability insurance maintained by Debtor pursuant to this Section 6 may be paid directly to the person who shall have incurred liability covered by such insurance. In case of any loss involving damage to Equipment, Inventory or any other personal property when subsection (c) of this Section 6 is not applicable, Debtor shall make or cause to be made the necessary repairs to or replacements of such Equipment, Inventory or other personal property, and any proceeds of insurance maintained by Debtor pursuant to this Section 6 shall be paid to Debtor as reimbursement for the costs of such repairs or replacements, unless otherwise paid directly to Secured Party upon the request of Secured Party.

(c) Upon the occurrence and during the continuance of any Event of Default, all insurance payments in respect of such Equipment, Inventory, business interruption, or personal property shall be paid to and applied by Secured Party in accordance with the terms and provisions of Subsection 12(h) and Section 14 hereof.

With regard to the insurance set forth above, policies or certificates of insurance coverage in favor of Debtor shall be delivered to Secured Party, with coverage types and amounts satisfactory to Secured Party, and satisfactory evidence of premium payments must also be provided. All policies of insurance required hereunder shall (a) be written by carriers which are licensed or authorized to transact business in the State of Florida and are rated "A-" Class VI or better according to the latest published Best Key Rating Guide.

7. Secured Party Appointed Attorney-In-Fact. The Debtor hereby irrevocably appoints Secured Party as Debtor's attorney-in-fact, which appointment is coupled with an interest, with full authority in the place and stead of Debtor and in the name of Debtor, Secured Party or otherwise, from time to time in Secured Party's discretion, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this Security Agreement (subject to the rights of Debtor under Section 10), including, without limitation:

(a) To obtain and adjust insurance required to be paid to Secured Party pursuant to Section 6;

(b) To ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipt for moneys due and to become due under or in respect of any of the Collateral;

(c) To receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with Subsections 7(a) or 7(b) above; and

(d) To file any claims to take any action or institute any proceedings which Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of Secured Party with respect to any of the Collateral.

8. Secured Party May Perform. If Debtor fails to perform any agreement contained herein, Secured Party may itself perform, or cause performance of, such agreement, and the expenses of Secured Party incurred in connection therewith shall be payable by Debtor under Subsection 12(h) and Section 14 hereof.

9. Secured Party's Duties. The powers conferred on Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon Secured Party to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

10. Rights of Debtor Prior to Default. Until default, Debtor may use the Collateral in any lawful manner not inconsistent with this Security Agreement and with the terms of insurance thereon.

11. Events of Default. Debtor shall be in default under this Security Agreement upon the happening of any of the following events (each an "Event of Default"):

(a) If Debtor (i) defaults in the due performance or observation of any obligation of Debtor under any Note or the Loan Agreement, or (ii) if Debtor defaults in the due performance or observance of any obligation of Debtor under this Security Agreement and fails to cure such latter default within fifteen (15) days of the occurrence of such default;

(b) If any representation, warranty or guaranty made by Debtor herein or in any other statement heretofore or hereafter furnished by Debtor to Secured Party proves to be false or misleading in any material respect;

(c) Failure to pay any other obligation, liability or claim hereby secured;

(d) If any obligation or liability of Debtor (other than any obligation secured hereby) for the payment of money becomes or is declared to be due and payable prior to the expressed maturity thereof;

(e) Loss, theft, substantial change or destruction to the Collateral which is not adequately insured against;

(f) If Debtor subjects any Collateral to a security interest in favor of any party other than Secured Party;

(g) The assignment for the benefit of creditors by Debtor or any principal thereof ("Principal"), or any guarantor of the Obligations ("Guarantor") or the admission, in writing, of any inability to pay any debts, generally, as they become due, or ordering the winding up or liquidation

of its affairs by Debtor or any Principal or any Guarantor, or the commencement of a case by or against Debtor or any Principal or any Guarantor under any insolvency, bankruptcy, creditor adjustment, debtor rehabilitation or similar law, state or federal;

(h) The determination by Debtor or any Principal, or any Guarantor to request relief under any insolvency, bankruptcy, creditor adjustment, debtor rehabilitation or similar proceeding, state or federal, including, without limitation, the consent by Debtor or any Principal, or any Guarantor to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator, or similar official for Debtor or any Principal, or any Guarantor or for any of Debtor's or any Principal's, or any Guarantor's property or assets;

(i) There shall have occurred any material adverse change in the financial condition of Debtor any Principal or any Guarantor (as determined by Secured Party) from the condition set forth in the most recent financial statements of Debtor, any Principal or any Guarantor heretofore furnished to Secured Party (or subsequently furnished to Secured Party from time to time during the term hereof) or from the condition heretofore or subsequently disclosed to Secured Party from time to time during the term hereof in any manner;

(j) If Debtor loses any rights under any franchise agreements, license agreements or other material agreements, which adversely affects the business operations of Debtor; or

(k) There shall be entered against Debtor or any Guarantor one (1) or more judgments or decrees.

(l) If the Debtor shall have failed to comply with any other agreement, covenant, condition, provision or term contained in the Loan Agreement or any of the other Loan Documents (as defined in the Loan Agreement).

Then, upon the happening of any of the foregoing Events of Default or if Secured Party deems itself insecure, the Notes and all other obligations, liabilities and claims secured hereby shall become immediately due and payable. Debtor expressly waives any presentment, demand, protest or other notice of any kind.

12. Secured Party's Remedies and Additional Rights After Default. Upon the occurrence of an Event of Default, Secured Party shall have the rights and remedies of a secured party under the Florida Uniform Commercial Code, and any other applicable law. Without limiting the generality of the foregoing, Secured Party may exercise any of the following rights and remedies:

(a) Secured Party may peaceably, or by its own means or with judicial assistance by injunction or otherwise, enter Debtor's premises and take possession of the Collateral, or render it unusable, or dispose of the Collateral on Debtor's premises, and Debtor will not resist or interfere with such action;

(b) Secured Party may with judicial assistance by injunction, or otherwise, require Debtor, at Debtor's expense, to assemble all or any part of the Collateral and make it available to Secured Party at any place designated by Secured Party. Debtor hereby agrees that Debtor's chief

place of business or any place designated by Secured Party within Broward County, Florida or Palm Beach County, Florida, are places reasonably convenient to Debtor to assemble such Collateral;

(c) Debtor hereby agrees that a notice to Debtor, at least ten (10) days before the time of any intended sale or of the time after which any public or private sale or other disposition of the Collateral is to be made, shall be deemed to be reasonable notice of such sale or other disposition;

(d) In the event of sale or other disposition of any such Collateral, Secured Party may apply the proceeds of any such sale or disposition to the satisfaction of its reasonable attorneys' fees, legal expenses, and other costs and expenses incurred in connection with its taking, retaking, holding, preparing for sale and selling of the Collateral;

(e) Without precluding any other methods of sale, the sale of Collateral shall have been made in a commercially reasonable manner if conducted in conformity with reasonable commercial practices but, in any event, Secured Party may sell on such terms as it may choose, without assuming any credit risk and without any obligation to advertise;

(f) The Collateral need not be present at any public or private sale or in view of the purchaser or purchasers, and title shall pass upon such sale wherever the property or any part thereof is located with like effect as though all the property were present and in the possession of the person conducting the sale and were physically delivered to the purchaser or purchasers; Secured Party may bid for and purchase at any public or private sale the Collateral offered for sale or any part thereof, and by such purchase shall become the owner thereof;

(g) Any sale or other disposition of the Collateral, or any portion thereof, or of any other property of Debtor held by Secured Party, or any portion thereof, made under or by virtue of this Security Agreement shall operate to divest all of the estate, right, title, interest, claim and demand whatsoever at law or in equity of Debtor (including, without limitation, any and all rights of redemption) and all persons claiming by, through or under Debtor in and to the properties and rights so sold, whether sold to Secured Party or to others. The receipt of Secured Party or its designated agent shall be a sufficient discharge to the purchaser or purchasers at any such sale or other disposition for its or their purchase money, and such purchaser or purchasers and their respective successors, assigns and personal representatives shall not, after paying such purchase money and receiving such receipt of Secured Party or of such agent of Secured Party, be obligated to see to the application of such purchase money or be in any way answerable for any loss, misapplication or non-application thereof;

(h) Secured Party may deduct from the gross proceeds of any public or private sale the expenses incurred by Secured Party in connection therewith, including any expenses set forth in Section 14 hereof, reasonable attorneys' fees and brokers' commissions, if any, and the net proceeds then remaining shall be applied first to the satisfaction of the amount owed to Secured Party by Debtor, including payment of all of the Obligations, and any amount then remaining shall be returned to Debtor;

(i) Secured Party may (i) notify the Account Debtors under any and all of Debtor's accounts, including, without limitation, the Receivables and Related Contracts, of Secured Party's interest therein, and direct such Account Debtors to make payments due and to become due

thereunder directly and solely to Secured Party, and (ii) accept and take control of all payments and proceeds received from the Account Debtors, and, at the expense of Debtor, enforce collection of any such Receivables and Related Contracts and adjust, settle or compromise the amount for payment thereof in the same manner and to the same extent as Debtor might have done. Additionally, all amounts and proceeds (including instruments) received by Debtor in respect of the Receivables and Related Contracts shall be received in trust for the benefit of Secured Party, shall be segregated from other funds of Debtor and shall be forthwith paid over to Secured Party in the same form as so received (with any necessary endorsement) to be held as cash collateral and either (i) released to Debtor so long as no Event of Default shall be continuing or if Secured Party no longer deems itself insecure, or (ii) if any Event of Default shall have occurred and be continuing, applied against Secured Party's reasonable attorneys' fees and expenses and all other expenses of Secured Party incurred in connection with this Security Agreement, and then applied as provided in Subsection 12(h), and, Debtor shall not adjust, settle or compromise the amount or payment of any Receivable or Related Contract, or release wholly or partly any Account Debtor or obligor thereof, or allow any credit or discount thereon. The above shall not be deemed to constitute a foreclosure by Secured Party or an election by Secured Party of any remedy limiting the right of Secured Party to recover the unpaid balance of the Obligations, such that Secured Party shall be entitled to all other remedies set forth herein;

(j) The Secured Party may, in addition to any other rights it may have, appoint by instrument in writing a receiver or receiver and manager (both of which are herein called a "Receiver") of all or any part of the Collateral or may institute proceedings in any court of competent jurisdiction for the appointment of such a Receiver. Any such Receiver is hereby given and shall have the same powers and rights and exclusions and limitations of liability as the Secured Party has under this Security Agreement, at law or in equity. In exercising any such powers, any such Receiver shall, to the extent permitted by law, act as and for all purposes shall be deemed to be the agent of the Debtor, and the Secured Party shall not be responsible for any act or default of any such Receiver. The Secured Party may appoint one or more Receivers hereunder and may remove any such Receiver or Receivers and appoint another or others in his or their stead from time to time. Any Receiver so appointed may be an officer or employee of the Secured Party. A court need not appoint, ratify the appointment by the Secured Party of or otherwise supervise in any manner the actions of any Receiver. Upon the Debtor receiving notice from the Secured Party of the taking of possession of the Collateral or the appointment of a Receiver, all powers, functions, rights and privileges of each of the members of the Debtor with respect to the Collateral shall cease, unless specifically continued by the written consent of the Secured Party;

(k) The Secured Party may carry on, or concur in the carrying on of, all or any part of the business or undertaking of Debtor, may, to the exclusion of all others, including the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant and undertaking of or occupied or used by Debtor and may use all or any of the tools, machinery, equipment and intangibles of Debtor for such time as the Secured Party sees fit, free of charge, to carry on the business of Debtor and, if applicable, to manufacture or complete the manufacture of any Inventory and to pack and ship the finished product;

(l) Secured Party may proceed directly against Debtor and any Guarantor and obtain judgments against the same; and

(m) No right, power, or remedy of Secured Party as provided in this Security Agreement or in any other loan document associated herewith, is intended to be exclusive of any other right, power, or remedy of Secured Party, but each and every such right, power and remedy shall be cumulative and concurrent and in addition to any other right, power or remedy available to Secured Party now or hereafter existing at law or in equity. The failure of Secured Party to exercise any such right, power or remedy shall in no event be construed as a waiver or release thereof.

13. Right of Set-off. In addition to and not in limitation of all rights of offset that Secured Party may have under applicable law, Secured Party shall, upon the occurrence of an Event of Default and whether or not Secured Party has made any demand, or the Obligations are matured, and without notice to Debtor (any such notice being expressly waived by Debtor), have the right to set off and apply to the payment of the Obligations all deposits of Debtor (general or special, time or demand, provisional or final) at any time held by Secured Party and other indebtedness or property at any time owing by Secured Party to or for the credit or the account of Debtor against any and all of the Obligations of Debtor to Secured Party.

14. Indemnity and Expenses. Debtor agrees to and shall indemnify, defend and hold harmless Secured Party as follows:

(a) Debtor agrees to and shall indemnify and defend Secured Party from and against any and all claims, losses and liabilities growing out of or resulting from this Security Agreement (including, without limitation, enforcement of this Security Agreement), except claims, losses or liabilities resulting solely from Secured Party's gross negligence or willful misconduct; and

(b) The Debtor will, upon demand, pay to the Secured Party the amount of any and all reasonable expenses, including the reasonable fees and disbursements of Secured Party's counsel and of any experts and agents, which Secured Party may incur in connection with (i) the administration of this Security Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of Secured Party hereunder or (iv) the failure by Debtor to perform or observe any of the provisions hereof.

15. Non-Judicial Process. Secured Party may enforce its rights hereunder without resort to prior judicial process or judicial hearing, and Debtor hereby waives (i) any right Debtor may have to notice and a hearing before possession or sale of Collateral is effected by Secured Party by self-help, replevin, attachment or otherwise, (ii) any requirement that Secured Party post a bond or other security which might be required by any court prior to allowing Secured Party to exercise any of Secured Party's remedies, and (iii) the benefit of all appraisal, extension and exemption laws, such waivers being consistent with commercial necessity. Nothing herein is intended to prevent Secured Party from resorting to judicial process at its option.

16. Injunctive Relief. Debtor recognizes that, in the event Debtor fails to perform, observe or discharge any of its obligations or liabilities under this Security Agreement, any remedy at law may prove to be inadequate relief to Secured Party. Secured Party, if Secured Party so requests, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

17. Venue of Actions. Debtor irrevocably and unconditionally (a) agrees that any suit, action or other legal proceeding arising out of or relating to this Agreement or any other associated loan document, may be brought, at the option of Secured Party, in a court of record in the State of Florida in Broward, Miami-Dade or Palm Beach County, in the United States District Court for the Southern District of Florida, or in any other court of competent jurisdiction; (b) consent to the jurisdiction of each such court in any such suit, action or proceedings; and (c) waive any objection which it may have to the laying of venue of any such suit, action, or proceeding in any of such courts.

18. Automatic Stay. Debtor hereby agrees that, in consideration of the recitals and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in the event Debtor shall (i) file with any bankruptcy court of competent jurisdiction or be the subject of any petition under title 11 of the U.S. Code, as amended, (ii) be the subject of any order for relief issued under such Title 11 of the U.S. Code, as amended, (iii) file or be the subject of any petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal or state act or law relating to bankruptcy, insolvency, or other relief for debtors, (iv) have sought or consented to or acquiesced in the appointment of any trustee, receiver, conservator, or liquidator, or (v) be the subject of any order, judgment, or decree entered by any court of competent jurisdiction approving a petition filed against such party for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal or state act or law relating to bankruptcy, insolvency, or relief for debtors, then Secured Party shall thereupon be entitled to relief from any automatic stay imposed by Section 362 of Title 11 of the U.S. Code, as amended, or otherwise, on or against the exercise of the rights and remedies otherwise available to Secured Party as provided in the Note, the Loan Agreement, this Security Agreement and all associated Loan Documents, and as otherwise provided by law. Debtor hereby agrees not to object to Secured Party immediately seeking relief from the automatic stay, to allow Secured Party to proceed immediately to exercise the rights and remedies provided under this Security Agreement, including, without limitation, the right to take title to the Collateral, to conduct a foreclosure sale of the Collateral and to issue a Certificate of Title to the Collateral in connection with any foreclosure sale, and/or to proceed against and realize upon the Collateral for the Obligations and to otherwise allow Secured Party to take all such actions as Secured Party may elect in its sole discretion in pursuance of the other rights and remedies available in the event of a default by Debtor under the Loan Documents. Debtor hereby waives any protection afforded under 11 U.S.C., Section 362(a).

19. Addresses for Notices. All notices and other communications provided for hereunder ("Notice"), if any, shall be in writing (including facsimile communication) and, if to the Debtor, mailed, federal expressed, faxed or delivered to it, addressed to it at the address of the Debtor specified in the Note, if to the Secured Party, mailed or delivered to it, addressed to it at the address of the Secured Party specified in the Note, or as to either party at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section. All such notices and other communications shall be effective:

- (a) In the case of hand-delivery, when delivered;
- (b) If given by mail, three (3) days after such Notice is deposited with the United

States Postal Service, with first-class postage prepaid, return receipt requested;

(c) In the case of a telephonic Notice, when a party is contacted by telephone, if delivery of such telephonic Notice is confirmed no later than the next business day by hand delivery, a facsimile or electronic transmission or an overnight courier delivery of a confirmatory Notice (received at or before noon on such next business day);

(d) In the case of a facsimile transmission, when sent to the applicable party's facsimile machine's telephone number, if the party sending such Notice receives confirmation of the delivery thereof from its own facsimile machine;

(e) In the case of electronic transmission, when actually received;

(f) If given by any other means (including by overnight courier), the next business day.

20. Continuing Security Interest; Transfer of Note. This Security Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until payment in full of the Obligations, (ii) be binding upon Debtor, its successors and assigns and (iii) inure to the benefit of Secured Party and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii), Secured Party may assign or otherwise transfer the Note held by it to any other person or entity, and such other person or entity shall thereupon become vested with all the benefits in respect thereof granted to Secured Party herein or otherwise. Upon the payment in full of the Obligations, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to Debtor. Upon any such termination, Secured Party will, at Debtor's expense, execute and deliver to Debtor such documents as Debtor shall reasonably request to evidence such termination.

21. Amendments, Etc. No amendment or waiver of any provision of this Security Agreement nor consent to any departure by Debtor herefrom shall in any event be effective unless the same shall be in writing and signed by Secured Party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

22. Waiver. No failure on the part of Secured Party to exercise or delay in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any singular or partial exercise by Secured Party of any right or remedy hereunder preclude any other or future exercise thereof, or the exercise of any other right or remedy.

23. Additional Waivers of Debtor. To the fullest extent that it may lawfully so agree, Debtor agrees that it will not at any time insist upon, claim, plead or take any benefit or advantage of any appraisal, valuation, stay, extension, moratorium, redemption or similar law now or hereafter in force in order to prevent, delay or hinder the enforcement of this Security Agreement or the absolute sale of any part of the Collateral. Debtor, for itself and all who claim through it, so far as it now or hereafter lawfully may do so, hereby waives the benefit of all such laws, and all rights to have the Collateral marshaled upon any foreclosure hereof, and agrees that any court having jurisdiction to foreclose this Security Agreement may order the sale of the Collateral as an entirety. Without limiting the generality of the foregoing, Debtor hereby: (i) authorizes Secured Party in its sole discretion and without notice to or demand upon Debtor and without otherwise affecting the

obligations of Debtor hereunder from time to time to take and hold other collateral (in addition to the Collateral) for payment of any Obligations, or any part thereof, and to exchange, enforce or release such other collateral or any part thereof and to accept and hold any endorsement or guarantee of payment of the Obligations, or any part thereof and to release or substitute any endorser or guarantor or any other person granting security for or in any other way obligated upon any Obligations or any part thereof; and (ii) waive and release any and all right to require Secured Party to collect any of the Obligations from any specific item or items of the Collateral or from any other party liable as guarantor or in any other manner in respect of any of the Obligations or from any collateral (other than the Collateral) for any of the Obligations.

24. Successors and Assigns. All of the terms, conditions, and covenants of this Security Agreement shall inure to the benefit of and bind the heirs, personal representatives, successors and assigns of the respective parties hereto.

25. Severability. If performance of any provision hereof or any transaction related hereto is limited by law, then the obligation to be performed shall be reduced accordingly, and if any clause or provision herein contained operates or would operate to invalidate this Security Agreement in part, then the invalid part of said clause or provisions only shall be treated as though not contained herein, and the remainder of this Security Agreement shall remain operative and in full force and effect.

26. Currency. Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to lawful currency of the United States of America.

27. Modification. This Security Agreement may not be changed orally, but only by an instrument in writing, and signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

28. Entire Agreement. This Security Agreement constitutes the entire agreement between the parties hereto.

29. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with the internal laws (and not the law of conflicts) of the State of Florida, but giving effect to federal laws applicable to national banks to the extent applicable; provided however, that Secured Party shall be entitled to take advantage of any laws related to creditor rights and remedies in any jurisdiction where the Collateral is located.

30. WAIVER OF JURY TRIAL. DEBTOR AND SECURED PARTY HEREBY MUTUALLY, KNOWINGLY, WILLINGLY, INTENTIONALLY AND VOLUNTARILY WAIVE THEIR RIGHT TO TRIAL BY JURY AND NO PARTY NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF THE PARTIES (ALL OF WHOM ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PARTIES") SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER LITIGATION PROCEEDING BASED UPON OR ARISING OUT OF THIS SECURITY AGREEMENT OR ANY ASSOCIATED LOAN DOCUMENTS OR ANY INSTRUMENT EVIDENCING, SECURING OR RELATING TO THE OBLIGATIONS SECURED HEREBY OR ANY RELATED AGREEMENT OR INSTRUMENT, ANY OTHER COLLATERAL FOR THE

OBLIGATIONS SECURED HEREBY OR ANY COURSE OF ACTION, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS RELATING TO THE OBLIGATIONS OR TO THIS SECURITY AGREEMENT. THE PARTIES ALSO WAIVE ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED BY THE PARTIES. THE WAIVER CONTAINED HEREIN IS IRREVOCABLE, CONSTITUTES A KNOWING AND VOLUNTARY WAIVER, AND SHALL BE SUBJECT TO NO EXCEPTIONS. SECURED PARTY HAS IN NO WAY AGREED WITH OR REPRESENTED TO DEBTOR OR ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of the day and year first above written.

WITNESSES:

[Signature]
[Signature]

DEBTOR:

VITAL PHARMACEUTICALS, INC.,
a Florida corporation

By: [Signature]
JOHN HOWOC, President
(Corporate Seal)

SECURED PARTY:

FIFTH THIRD BANK, a Michigan banking corporation

[Signature]
[Signature]

By: [Signature]
Name: Vice President
Title: Vice President