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To the Honorable Commissioner of I	1006999	27	attached orig	ginal docum	coole er sep	thereof.
1. Name of conveying party(ies):		2. Name ar	nd address of re	eceiving pa	arty(ies):	
SHOPVEST, INC. 5568 General Washington Dri Suite A208 Alexandria, Virginia 22312 Additional name(s) of conveying party(ies) attach	<u>.</u>	Internal		. N. Hen		Co
3. Nature of conveyance:		Arling	ton, Virgin	nia 22	203	
☐ Assignment ☐	l Merger	Street A	dress: 4141	N. Hend	erson Roa	ıd
	Change of Name	Suite	8			
Other		City: Ar	lington	Sta	te: <u>VA</u> ZIF	P: 22203
Execution Date: April 17, 1998	Additional name(s) & address(es) attached? Yes No					
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5. Name and address of party to whom concerning document should be maile	correspondence ad:	565814	7	ons and pa	tents involve	d: 1
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OMB No. 0651-0011 (exp. 4/94)

PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT ("Agreement"), made in Triplicate this 17th day of April, 1998, by and between SHOPVEST, INC., d/b/a Implant Solutions Technologies ("Borrower") and Continental Small Business Investment Corp. ("Lender").

WITNESSETH

WHEREAS, Lender has provided, and will continue to provide certain financial accommodations to Borrower for which Borrower is obligated in connect with a Loan and/or Loans to Borrower to assist Borrower is the commercial development and marketing of Patent No. 5658147, issued August 19, 1997, which are evidenced by a Loan Agreement and Promissory Note in the sum of \$150,000.00 (the "Loan") of even date herewith.

WHEREAS, Lender has required Borrower to execute and deliver this Agreement in order to secure the prompt and complete payment, observance and performance of all of Borrower's current and future obligations under the terms of the Loan, including without limitation, for principal, interest, attorney fees, and expense or otherwise pursuant to the terms of the Loan and/or under the terms of this Agreement (the undertaking of Borrower in the Loan and this Agreement hereinafter referred to as "Obligations").

NOW, THEREFORE, in consideration of the premises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower agrees as follows:

- 1. Security Interest in Patents. To secure the complete and timely payment, performance and satisfaction of the current and future obligations of Borrower hereby grants to Lender a security interest in all of Borrower's now owned or existing and hereafter acquired or arising interest in and to the following (collectively, the "Collateral"):
- (i) Patent No. 5658147, issued August 19, 1997, (hereinafter referred to as the "Patent") and the inventions and improvements described and claimed therein, and (a) any reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (c) the right to sue for past or future infringements thereof, and (d) all of the Borrower's rights

corresponding thereto throughout the world;

- (ii) rights under or interest in any patent license agreements, now existing or hereafter coming into existence, with any other party, under the Patent (hereinafter referred to as the "Licenses");
- (iii) all general intangibles (as defined in Virginia Code § 8-9 et seq.) of the Uniform Commercial Code as in effect in the Commonwealth of Virginia (the "Code") relating to the Patents and Licenses; and
- (iv) all proceeds of any and all of the foregoing Collateral (including, without limitation, licenses royalties and the proceeds of infringement suits) and, to the extent not other wise included, all payments of insurance (whether or not Lender is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing Collateral. For purposes of this Agreement, the terms "Proceeds" includes whatever is receivable or received when Collateral or proceeds are sold, collected, exchanged or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes, without limitation, all rights to payment, including returned premiums, with respect to any insurance relating thereto.
- 2. Restrictions on Future Agreements. Borrower will not, without Lender's prior written consent, enter into any agreement, including, without limitation, any licenses agreement, which would impair Lender's security interest(s) as herein described, and Borrower further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others, including, without limitation, licensees, or fail to take any action, which would in any respect affect the validity or enforcement of the rights transferred to Lender under this Agreement or the rights associated with the patent or Licenses to the extent necessary or economically desirable in the ordinary operation of Borrower's business.
- 3. Representations and Warranties. Borrower represents, warrants and covenants as follows, which representations, warranties and covenants shall be deemed to be continuing representations, warranties and covenants at all times until the full payment and performance of all the obligations:
- (a) Borrower has full power, authority and legal right to grant Lender a security interest in all of the Collateral pursuant to this Agreement.
 - (b) To Borrower's knowledge, the Patent, as described in

- Section 1(i) hereunder, as previously disclosed to Lender. is not subject to any pending or threatened claim by any third party that the Patent is invalid or unenforceable, or that the use of the Patent violates or may violate the rights of any third person, and Borrower has not knowledge of any basis upon which any such claim could be made.
- (c) The execution, delivery and performance of this Agreement by Borrower does not conflict with, result in breach of, constitute (with due notice or lapse of time or both) a default under, or require the limitation of or consent under, any contractual obligation of Borrower, including, without limitation, any provision of any security issued by Borrower or of any material indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which Borrower is a party or by which it or any material amount of its properties is bound or subject or any agreement pursuant to which Borrower licenses or has the right to use ant Collateral.
- (d) Except as previously disclosed to Lender, Borrower is the beneficial and legal owner of the Collateral free and clear of any lien, except as created by this Agreement. No effective financing statement or other instrument similar in effect covering all aor any part of the Collateral is on file in any recording office, except as may have been filed in favor of Lender. No effective filing with the United States Patent and Trademark Office covering all or any part of the Collateral is on file in the United States Patent and Trademark Office, except such as may be filed in favor of Lender, relating to this Agreement.
- (e) The following address qualifies as Borrower's "location" under the Code: Shopvest, Inc., 5568 General Washington Drive, Suite A208, Alexandria, Virginia 22312.
- (f) This Agreement will create and continue in favor of Lender a valid and perfected priority security interest in the Collateral securing the payment and performance of the Loan upon making the filings referred to in clause (g) below.
- (g) Except for the filing of financing statements describing this Agreement and the Collateral with the State Corporation Commission of the Commonwealth of Virginia under the Code and the filing of this Agreement with the United States Patent and Trademark Office, no authorization, approval or other action by, and no notice to, or filing with, any governmental authority or regulatory body is required either (i) for the grant by Borrower of the security interest granted hereby or the execution, delivery or performance of this Agreement by Borrower or (ii) for the perfection in the United

States of America of or the exercise by Lender of its rights and remedies hereunder.

- (h) A copy of the Patent is in the possession of Lender, and such Patent is accurate and complete in all respects.
- Nature and Continuation of Lender' Security Interest; Termination of Lender's Security Interest. This Agreement is made for collateral and security purposes only. This Agreement shall create a continuing security interest in the Patent and Licenses and shall terminate only when the obligations of the Loan and this Agreement in their entirety have been paid in full. In the event that the Obligations are repaid from any source of funds other than property in which Lender has been granted a security interest securing repayment of the Obligations, the security interest created hereby shall continue for a period of 91 days from the payment in full of the Obligations provided that no bankruptcy petition has been filed by or against Borrower during such 91-day period. this Agreement has terminated, Lender shall promptly execute and deliver to Borrower, at Borrower's expense, all termination statements and other instruments as may be necessary or proper to terminate Lender's security interest in the Patent and the Licenses.
- Duties of Borrower. Borrower shall have the duty, to the extent desirable in the normal conduct of Borrower's business, to: (i) prosecute diligently any patent application that is part of the Patent pending as of the date hereof or hereafter until the termination of this Agreement, and (ii) make application on unpatented but patentable inventions. Borrower further agrees to use its best efforts to maintain in full force and effect the Patent and Licenses that are or shall be necessary or economically desirable in the operation of Borrower's businesses. Any expenses incurred in connection with the foregoing shall be borne by In addition, Borrower shall commence and diligently Borrower. prosecute in its own name and at its own expense such suits, proceedings or other actions for infringement, unfair competition, dilution or other damage as are in its reasonable business judgment necessary or desirable to protect the Collateral. Lender shall not have any duty with respect to the Patent or Licenses.
- Fact. Borrower at its expense shall execute and deliver, or cause to be executed and delivered, to Lender any and all documents and instruments, in form and substance satisfactory to Lender, and take any and all action, which Lender may reasonably request from time to time, to perfect and continue perfected, maintain the priority or provide notice of Lender's security interest in the Collateral and to accomplish the purposes of this Agreement. The Lender shall have

the right to in the name of the Borrower, or in the name of the Lender or otherwise, without notice or assent of Borrower, and Borrower hereby irrevocable constitutes and appoints Lender (and any of Lender's officers or employees or agents designated by Lender) as Borrower's true and lawful attorney-in-fact with full power and authority, (I) to sign the name of Borrower on all or any documents or instruments and perform other acts that Lender deems necessary or advisable in order to perfect or continue perfected, maintain the priority or enforceability of or provide notice of Lender's security interest in, the Collateral, and (ii) to execute any and all other documents and instruments, and to perform any and all acts and things necessary or advisable to maintain, preserve and protect the Collateral and to accomplish the purposes of this Agreement, including to defend, settle, adjust or institute any action, suit or proceedings with respect to the Collateral, and, after the occurrence of any event of Default (as defined in Section hereunder) (A) to execute any and all applications, documents, papers and instruments for Lender to use the Collateral, (B) to grant or issue any exclusive or non-exclusive license with respect to any Collateral, and (C) to assign, convey or otherwise transfer title in or dispose of the Collateral; provided, however, that in no event shall Lender have the unilateral power, prior to the occurrence and continuation of an event of Default, to assign any of the Collateral to any Person, including itself, without Borrower's written consent. The foregoing shall in no way limit Lender's rights and remedies upon or after the occurrence of an event of Default. The power of attorney set forth in this Section 6, being coupled with an interest, is irrevocable. In the event Lender exercises its rights under this Agreement without notice to Borrower, Lender shall as soon as is practicable and reasonable notify the Borrower of the action(s) taken by certified mail.

- 7. Waivers. Lender's failure, at any time or times hereafter, to require strict performance by Borrower of any provision of this Agreement shall not waive, affect or diminish any right of Lender thereafter to demand strict compliance and performance therewith nor shall any course of dealing between Borrower and Lender have such an effect. No single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of another right. None of the undertakings, agreements, warranties, covenants and representations of Borrower contained in this Agreement shall be deemed to have been suspended or waived by Lender unless such suspension or waiver is in writing signed by an officer of Lender and directed to Borrower specifying such suspension or waiver.
- 8. <u>Severability</u>. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and

- 5 - PATENT REEL: 9123 FRAME: 0528 valid under applicable law, but the provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

- 9. <u>Modification</u>. This Agreement cannot be altered, amended or modified in any way, except by a writing signed by the parties hereto.
- 10. Cumulative Remedies. Lender shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patent and Licenses may be located or deemed located. Upon the occurrence of an event of Default and the election of Lender to exercise any of its remedies under Section 9-504 and 9-505 of the Uniform Commercial Code with respect to the Patent or Licenses, Borrower agrees to assign, convey and otherwise transfer title in and to the Patent and Licenses to Lender or any transferee of Lender and to execute and deliver to Lender or any such transferee all agreements, documents and instruments as may be necessary, in Lender's sole discretion, to effect such assignment, conveyance and transfer. All of lender's rights and remedies with respect to the Patent and Licenses, whether established hereby, by any other agreements or by law, shall be cumulative and may be exercised separately or concurrently. Borrower agrees that the Lender shall at all times have such royalty-free licenses, to the extent permitted by law, for any Collateral that is reasonably necessary to permit the exercise of any of Lender's rights or remedies upon or after the occurrence of an event of Default. In addition to and without limiting any of the foregoing, upon the occurrence and during the continuance of the event of Default, Lender shall have the right but shall in no way be obligated to bring suit, or to take such other action a Lender deems necessary or advisable, in the name of Borrower or Lender, to enforce or protect the Collateral, in which event Borrower shall, at the request of Lender, do any and all lawful acts and execute any and all documents required by Lender in aid of such enforcement. To the extent that Lender shall elect not to bring suit to enforce such Collateral, Borrower agrees to use all reasonable measures and its diligent efforts, whether by action, suit, misappropriation or violations thereof by others and for that purpose agrees diligently to maintain any action, suit or infringement, misappropriation or violation.

- 11. <u>Default</u>. It is understood and agreed between Lender and Borrower that the occurrence or existence of any one or more of the following events will constitute default by Borrower.
- (a) If Borrower defaults in the payment of any installment payment of interest and/or principal or payments due under the terms of the Promissory Note(s) secured hereby.
- (b) If Borrower defaults in the performance of any of the other terms, conditions, or provisions of this Agreement, in such manner as to materially affect the rights of Lender hereunder, and if that default is not remedied within forty-five (45) days after receipt by Borrower of written notice thereof from Lender.
- (c) If Borrower is adjudicated a bankrupt or insolvent or admits in writing of inability to pay its debts as they mature or if Borrower makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee or receiver for any portion of its property.
- (d) If a trustee in bankruptcy or receiver is appointed by Borrower for any portion of its property.
- (e) If any judgment against Borrower remains unsatisfied for thirty (30) days or longer and an appeal is not taken therefrom.
- (f) If any proceedings are instituted by or against Borrower in respect to any bankruptcy, reorganization, rearrangements of creditors, or insolvency or other proceeding for the relief of the debtors and if these proceedings are consented to by Borrower or the proceedings are not dismissed within fifteen (15) days after they have been instituted.
- 12. <u>Successors and Assigns</u>. This Agreement shall be binding upon Borrower and its successors and assigns, and shall inure to the benefit of Lender and its nominees, successors and assigns; provided, however, that Borrower may not assign its obligations hereunder without the Lender's prior written consent, which consent shall not be unreasonably withheld. Borrower's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Borrower.
- 13. <u>Governing Law</u>. This Agreement shall be construed and enforced and the rights and duties of the parties shall be governed by in all respects in accordance with the internal laws (as opposed to conflict of laws provisions) and decisions of the Commonwealth of Virginia.

- 14. <u>Incorporation of Premises</u>. The premises set forth above are incorporated into this Agreement by this reference thereto and are made a part hereof.
- 15. <u>Section Titles</u>. The section titles herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

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

Borrower:

SHOPVEST, INC.

a Virginia corporation

Its President

SHOPVEST, INC., hereby consents to the grant of a security interest as hereinabove provided.

SHOPVEST, INC.

a Virginia corporation

Its President

STATE OF VIRGINIA,

COUNTY OF ARLINGTON, to-wit:

The foregoing Patent Security Agreement was subscribed and acknowledged before the undersigned Notary Public this 17th day of April, 1998, by Anaput Phimmasone, President of Shopvest, Inc., and declared to be the duly authorized act and deed of the corporation.

My commission expires:

Notary Public in and for the State and County aforesaid