


FORM PTO-1595 (Rev. 6-93) OMB No. 0851-0011 (Rev. 7-94) Tab settings <u>100</u>		12-17-1998  100859983		3 SHEET U.S. DEPARTMENT OF COMMERCE Patent and Trademark Office	
To the Honorable Commissioner of Patents and Trademarks: Please record the attached original and <u>2</u> copies of copy thereof.					
1. Name of conveying party(ies): INNOVADENT TECHNOLOGIES LTD. Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		2. Name and address of recipient party(ies): Business Development Bank Name: of Canada Internal Address: (same as street address) Street Address: Suite 12525, Plaza Level, 5 Place Ville Marie City: Montreal State: Quebec ZIP: H3B 5E7 Country: Canada Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other <u>sale</u> Execution Date: March 26, 1998					
4. Application number(s) or patent number(s): If this document is being filed together with a new application, the execution date of the application is: _____ A. Patent Application No.(s) B. Patent No.(s) 5,342,197 5,055,045 Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
5. Name and address of party to whom correspondence concerning document should be mailed: Selena Altro-Paperman Name: c/o Adessky Poulin Internal Address: (same as street address) Street Address: 999 de Maisonneuve Blvd. West 18th floor City: Montreal State: Quebec ZIP: H3A 3L4 Country: Canada		6. Total number of applications and patents involved: <u>2</u> 7. Total fee (37 CFR 3.41).....\$ 80.00 <input checked="" type="checkbox"/> Enclosed <input type="checkbox"/> Authorized to be charged to deposit account 8. Deposit account number: <u>17</u> (Attach duplicate copy of this page if paying by deposit account)			
DO NOT USE THIS SPACE					
9. 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. <u>Selena Altro-Paperman</u> Name of Person Signing <u>Selena Altro-Paperman</u> Signature Total number of pages including cover sheet, attachments, and document: <u>17</u> <u>April 7/98</u> Date					

Mail documents to be recorded with required cover sheet information to:
 Commissioner of Patents & Trademarks, Box Assignments
 Washington, D.C. 20231

MOVEABLE HYPOTHEC

GRANTED BY **INNOVADENT TECHNOLOGIES LTD.**, herein represented by Joel Strickland, its President, duly authorized in virtue of the resolution hereto annexed (hereinafter the "Grantor") in favour of **BUSINESS DEVELOPMENT BANK OF CANADA**, herein represented by Nick Photiades, Assistant Vice-President, Venture Capital Division (hereinafter referred to as the "Creditor") in connection with all liabilities of Grantor towards the Creditor.

1. AMOUNT OF THE HYPOTHEC

The amount for which the Hypothec is granted shall be composed of a sum of up to Two Hundred Fifty Thousand Dollars (\$250,000.00) and of an additional sum equivalent to twenty percent (20%) of the aforementioned amount, which shall secure all costs, the whole with interest from the date of this agreement at a rate of fifteen percent (15%) per annum.

2. SECURED OBLIGATIONS

The Hypothec shall secure payment of all of the Grantor's obligations, direct or indirect, incurred toward the Creditor (whether such obligations result from a loan, line of credit or any other agreement which may result in advances of monies, overdraft facilities or protection, issuance of a guarantee, letters of credit, bills of exchange or any other financial advantage whatsoever which may be procured by the Creditor) as well as the Grantor's obligations resulting from a suretyship, an endorsement, an interest rate or other treasury instrument swap agreement, or any other engagement as such obligations are, from time to time, modified, extended or renewed. The Hypothec further secures all obligations falling within the above description which do not yet exist, but which represent future obligations or will result from future agreements with the Creditor.

Any future obligation hereby secured shall be deemed to be one in respect of which the Grantor has once again obligated itself hereunder.

3. HYPOTHEC: DESCRIPTION OF CHARGED PROPERTY

The Grantor hereby hypothecates in favour of the Creditor the following property (hereinafter the "Charged Property") and, with respect to incorporeal or intangible property, property located outside of the Province of Quebec or used in more than one jurisdiction, creates a security interest (the hypothec and the security interest hereinafter collectively referred to as the "Hypothec"):

3.1 The following universalities of property, present and future:

3.1.1 property in stock and inventory;

3.1.2 claims, receivables and book debts;

3.1.3 securities;

3.1.4 equipment and road vehicles;

3.1.5 trademarks, patents and intellectual property rights;

3.1.6 equipment and machinery;

- 11.7 The Creditor is hereby designated as the irrevocable mandatary of the Grantor with full powers of substitution for the purpose of paragraph 11.8 or for the purpose of carrying out any and all acts and execute any and all deeds, proxies or other documents which it may deem useful in order to exercise its rights or which the Grantor neglects or refuses to execute or to carry out.
- 11.8 The Creditor shall be at liberty to perform any of the Grantor's liabilities under this agreement. It may then immediately request payment of any expense incurred in doing so, including interest at the rate provided for in paragraph 8.10 above.
- 11.9 The Creditor shall be at liberty to appoint any person or persons for the purpose of the exercising of its rights, actions or the performance of any covenant resulting from this agreement or law; in such case, the Creditor shall supply such person with any information relating to the Grantor or the Charged Property.
- 11.10 The Creditor shall not be liable for material injuries or damages resulting from its fault, unless such fault is gross or intentional;
- 11.11 The rights hereby conferred upon the Creditor shall benefit all its successors, including any entity resulting from the merger of the Creditor with any other person or persons.
- 11.12 Any notice to the Grantor shall be delivered to its address mentioned hereunder or to any other address of which the Creditor has been given written notice; any notice to the Creditor shall be delivered to its branch office, the address of which is set out below, or to any other address of which the Grantor has been given written notice.
- 11.13 This agreement shall be governed by the laws of the Province of Quebec.

12. ENGLISH LANGUAGE

The parties hereto confirm that the present agreement has been drawn up In the English language at their request. Les parties aux présentes confirment que la présente convention a été rédigée en langue anglais à leur demande.

SIGNED on this _____ day of March, 1998.

GRANTOR:

INNOVADENT TECHNOLOGIES LTD.

Per: _____

Joel Strickland

Witness

Witness

Grantor's address:

PATENT

REEL: 9423 FRAME: 0631

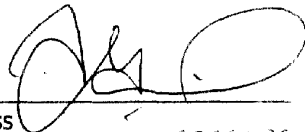
(for any notice or correspondence)

227 Eagle Street
Newmarket, Ontario
L3Y 1J8

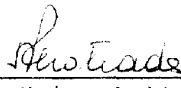
BUSINESS DEVELOPMENT BANK OF CANADA



Witness S. FOSTER



Witness JACQUES GREGOIRE

Per: 

Nick Photiades, Assistant Vice-President,
Venture Capital Division

Stéphanie Belhumeur/10243-01.56/MOVEABLE HYPOTHEC.BUSINESS DEVELOPMENT BANK

SCHEDULE "A"

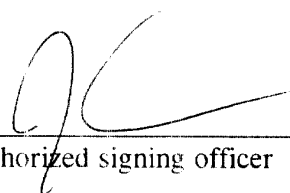
- 1.a) Moveable Hypothec on a Universality of Property between Le Fonds de solidarité des travailleurs du Québec ("FTQ") and Innovadent Technologies Ltd.;
- 1.b) General Security Agreement between Innovadent Technologies Ltd. and Le Fonds de Solidarité des Travailleurs du Québec ("FTQ");
- 2.a) Moveable Hypothec on a Universality of Property between Lawrence & Company Inc. and Innovadent Technologies Ltd.;
- 2.b) General Security Agreement between Innovadent Technologies Ltd. and Lawrence & Company Ltd.
- 3.a) Moveable Hypothec on a Universality of Property between Business Development Bank of Canada and Innovadent Technologies Ltd.;
- 3.b) General Security Agreement between Innovadent Technologies Ltd. and Business Development Bank of Canada;

SCHEDULE "A"

NOTICE OF SECURITY INTEREST

The undersigned, registered owner of Canadian patent 2,106,594 (the "Patent"), hereby provides notice that it has granted a continuing security interest over its Patent to the Business Development Bank of Canada and pursuant to a general security agreement dated the 26th day of March, 1998.

INNOVADENT TECHNOLOGIES LTD.

Per:  c/s
authorized signing officer