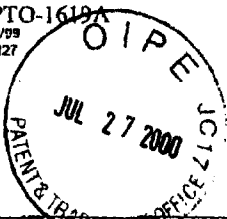


08-21-2000

028585.0002

FORM PTO-1619A
Expires 06/30/99
OMB 0651-0027

101437528

U.S. Department of Commerce
Patent and Trademark Office
PATENT**RECORDATION FORM COVER SHEET
PATENTS ONLY**

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

☒ New **7.27.00**

☐ Resubmission (Non-Recordation)
Document ID#

☐ Correction of PTO Error
Reel # Frame #

☐ Corrective Document
Reel # Frame #

Conveyance Type

☐ Assignment ☒ Security Agreement

☐ License ☐ Change of Name

☐ Merger ☐ Other

U.S. Government
(For Use ONLY by U.S. Government Agencies)

☐ Departmental File ☐ Secret File

Conveying Party(ies)

☐ Mark if additional names of conveying parties attached

Name (line 1) Execution Date
Month Day Year
07 17 00

Name (line 2) a Corporation of Virginia**Second Party**

Name (line 1) Execution Date
Month Day Year

Name (line 2)

Receiving Party☐ Mark if additional names of receiving parties attached

Name (line 1) Eden Capital, LLC

Name (line 2)

Address (line 1) 1800 Eden Way

Address (line 2)

Address (line 3) Virginia Beach VA 23454

City State/Country Zip Code

☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

FOR OFFICE USE ONLY

08/18/2000 MTHAI1 00000189 5520862

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80.00 UP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

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

PATENT
REEL: 010996 FRAME: 0518

Correspondent Name and AddressArea Code and Telephone Number **757-473-5345**Name **C. Grigsby Scifres**Address (line 1) **Williams Mullen Clark & Dobbins**Address (line 2) **900 One Columbus Center**Address (line 3) **Virginia Beach VA 23462**

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

12**Application Number(s) or Patent Number(s)**☐ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

Patent Number(s)

5520862**5527175**

If this document is being filed together with a new Patent Application, enter the date the patent application was signed by the first named executing inventor.

Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number

PCT PCT PCT

only if a U.S. Application Number has not been assigned.

PCT PCT PCT **Number of Properties**

Enter the total number of properties involved.

2**Fee Amount**Fee Amount for Properties Listed (37 CFR 3.41): \$ **80.00**Method of Payment:
Deposit AccountEnclosed ☒ Deposit Account ☐

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

50-0766

Authorization to charge additional fees:

Yes ☒ No ☐**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. Charges to deposit account are authorized, as indicated herein.

C. Grigsby Scifres

Name of Person Signing

Signature

7/17/00

Date

SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("**Security Agreement**") is made this 17th day of July, 2000, by and between FACE INTERNATIONAL CORPORATION, a Virginia corporation ("**Debtor**"), and EDEN CAPITAL, LLC ("**Secured Party**").

RECITALS:

A. Secured Party has provided a line of credit ("**Loan**") to Debtor in the amount of Four Hundred Fifty Thousand and No/100 Dollars (\$450,000) evidenced by a line of credit note ("**Note**") from Debtor to Secured Party dated July 17, 2000.

B. A condition precedent to the origination of the Loan to Debtor is the execution, delivery and performance of this Security Agreement by Debtor.

NOW, THEREFORE, in consideration of Secured Party providing the Loan to the Debtor, Debtor and Secured Party agree as follows:

1. Security Interest. To secure the payment, satisfaction and discharge of the Obligations described in Paragraph 2 below, the Debtor hereby assigns, transfers, pledges and sets over until the Secured Party, and its successors and assigns, and grants the Secured Party, and its successors and assigns, a security interest in, all of the personal property, assets and rights of the Debtor described below, whether tangible or intangible, whether now existing or hereafter arising, whether now owned or hereafter acquired by the Debtor or in which the Debtor now has or hereafter acquires any right, title or interest, together with all of the proceeds and products thereof and all additions, accessions and substitutions thereto and therefor (hereinafter all of which shall be collectively referred to as the "**Collateral**");

(a) All the patents and patent rights described on Exhibit A attached to and incorporated in this Security Agreement by this reference, all related patent applications, all trade secrets relating to the inventions protected by such patents disclosed to the United States Patent and Trademark Office during the examination of such patents or otherwise known by the inventors, all research, information and other materials necessary to fully exploit all such patents and technology, and all recorded data of any kind or nature, regardless of the medium of recording, related to such patents, including, without limitation, all software, writings, plans, specifications, schematics and documents (hereinafter collectively referred to as "**Patents**") together with all proceeds of the Patents; and

(b) All of the Debtor's accounts, accounts receivable, rights to the payment of money, license fees, royalties and other forms of obligations and receivables related in whole or in part to the Patents, and which are now owned or hereafter acquired by the Debtor or in which the Debtor now has or hereafter acquires any right, title or interest (hereinafter collectively referred to as "**Accounts**") together with all proceeds of the Accounts; and

(c) All of the Debtor's licenses, contract rights and agreements related directly or indirectly to the Patents, and which are now owned or hereafter acquired by the Debtor or in

which the Debtor now has or hereafter acquires any right, title or interest (hereinafter collectively referred to as ("**Contract Rights**") together with all proceeds of the Contract Rights; and

(d) All amounts received by the Secured Party, or expended by the Secured Party pursuant to this Security Agreement and all monies and claims for money due and to become due to Debtor under all the Patents, Accounts and Contract Rights under this Security Agreement and under the Uniform Commercial Code of the Commonwealth of Virginia (the "**Virginia UCC**").

Debtor acknowledges and agrees that, with respect to any term used in this Security Agreement that is defined in either (i) Article 9 of the Virginia UCC or (ii) Article 9 of the Uniform Commercial Code as in force at any relevant time in the jurisdiction in which any financing statement related to this Security Agreement is filed, the meaning to be ascribed to such term with respect to any particular item of property will be the meaning under the more encompassing of the two definitions.

2. Secured Obligations. This Security Agreement and the security interest and rights of the Secured Party in the Collateral secures the payment and performance of the following indebtedness, obligations and liabilities of the Debtor to the Secured Party, whether now existing or hereafter incurred, whether matured or unmatured, whether direct or indirect, whether absolute or contingent, whether liquidated or unliquidated, whether secured or unsecured, whether original, renewed or extended, whether contracted by any one or more of the Debtor (if more than one) alone or jointly and/or severally with another or others, and whether or not represented by notes, instruments or other writings, (hereinafter all such indebtedness, obligations and liabilities shall be collectively referred to as the "**Obligations**"):

(a) The Note, any modifications of the Note and any promissory note given in curtail, renewal or extension, in whole or in part, of the Note;

(b) The payment of all costs, expenses, charges, liabilities, commissions, half-commissions and attorneys' fees now or hereafter chargeable to, or incurred by, or disbursed by, the Secured Party pursuant to this Security Agreement, any other of the Obligations, applicable law or any of the documents and instruments which provide the Secured Party with any security for the payment and performance of the Obligations and/or which state the terms and conditions of the Obligations and/or which set forth the agreements, understandings and covenants between the Debtor and the Secured Party and/or which set forth the representations and warranties made by the Debtor to the Secured Party (hereinafter all of the foregoing shall be collectively referred to as the "**Security Instruments**");

(c) The performance of, observance of and compliance with all of the terms, covenants, conditions, stipulations and agreements contained in the Security Instruments; and

(d) The payment of all indebtedness evidenced by the Note and the other Obligations as they may from time to time be renewed, extended, modified and/or curtailed (unlimited modification, renewal, curtailment or extension of the Note and any other of the

Obligations being expressly permitted), whether or not by note or other instrument, together with all interest and charges incurring therein, whether before or after maturity.

3. Covenants, Agreements, Representations and Warranties. The Debtor covenants, agrees, represents and warrants unto the Secured Party as follows:

(a) The Debtor is and will be the absolute owner of the Collateral free and clear of any adverse lien, security interest or encumbrance other than the security interests granted to the Secured Party. The Debtor will defend the Collateral against all claims and demands of all persons and entities at any time claiming any right, title or interest of any kind or nature in all or any part of the Collateral adverse to the right, title and interest of the Debtor and/or the Secured Party in the Collateral.

(b) The Debtor is a corporation duly organized and validly existing in good standing under the laws of the Commonwealth of Virginia, with the power to conduct its business as presently conducted. The execution, delivery and performance by the Debtor of this Security Agreement is within the Debtor's powers, have been duly authorized and are not in contravention of (i) any applicable law, (ii) any of the Debtor's articles of incorporation, charter or bylaws as amended through the date of this Security Agreement or (iii) any agreement or judicial order or decree to which Debtor is a party or by which Debtor or any of its property is bound.

(c) The Debtor will from time to time, as requested by the Secured Party, give the Secured Party a complete list of any Collateral existing at the time of the request together with copies of any underlying contracts, agreements or documents.

(d) The Debtor will keep records concerning the Collateral at the chief executive office of the Debtor and will keep the Secured Party advised of the location of such records. The Debtor will, at all reasonable times and from time to time, allow the Secured Party and its officers, agents, employees, attorneys and accountants to examine and inspect the Collateral and to examine, inspect, and make extracts from the books and other records of the Debtor, and to arrange for verification of Accounts, if any, under reasonable procedures directly with the account debtors or by other methods.

(e) The Debtor represents and warrants that except for the financing statements filed for the benefit of the Secured Party, no financing statement covering the Collateral or any proceeds thereof, which has not been terminated, is on file in any public office. At the request of the Secured Party, the Debtor agrees to join with the Secured Party in executing one or more financing statements pursuant to the Virginia UCC in form and content satisfactory to its Secured Party and to pay the cost of filing such financing statements, this Security Agreement and any continuation or termination statements in all public offices wherever filing is deemed by the Secured Party to be necessary or desirable.

(f) The Debtor shall pay all taxes, levies, assessments and other charges of every kind or nature which may be levied or assessed against the Collateral.

(g) The Debtor will not permit or allow any adverse lien, security interest (other than the security interest given to the Secured Party) or encumbrance of any kind or nature whatsoever to attach to all or any part of the Collateral and will not permit all or any part of the Collateral to be attached, replevied, levied on, garnished or made the subject of litigation.

(h) If Debtor shall fail to pay any tax, levy, assessment or other charge against the Collateral, the Secured Party may, at its option, pay such tax, levy, assessment or other charge. The Debtor agrees to reimburse the Secured Party on demand for any such payment by the Secured Party. The amount of any such payment shall be an additional Obligation secured by this Security Agreement and shall be part of the "Obligations" as that term is used herein.

(i) In the event that any of the Obligations or Security Instruments is referred to attorneys for enforcement or collection, the Debtor will pay the reasonable attorneys' fees of the Secured Party and any and all costs and expenses incurred by the Secured Party in recovering possession of the Collateral, in enforcing this Security Agreement, or any other of the Security Instruments and/or in enforcing or collecting any of the Obligations, the payment of all of which shall be secured by this Security Agreement and shall be part of the "Obligations" as that term is used herein.

(j) The Debtor will not use the Collateral in violation of any applicable laws, statutes, regulations or ordinances.

(k) The amount of any funds which the Secured Party shall pay or expend for any purpose whatsoever under this Security Agreement shall be paid by the Debtor to the Secured Party on demand and shall bear interest thereon from the date of expenditure through the date of payment at an annual rate equal to the prevailing interest rate under the Note in effect from time to time. All of such funds so paid or expended and all interest thereon shall be secured by this Security Agreement and shall be "Obligations" as that term is used herein.

(l) The Debtor's chief executive office and only place of business is located at 427 West 35th Street, Norfolk, Virginia 23508, and the Debtor has no other places of business. The Debtor will notify Secured Party not less than thirty (30) days prior to (x) changing its name, (y) changing its chief executive office or (z) opening any additional office or place of business.

(m) Debtor will obtain and maintain insurance on the Collateral at Debtor's expense for the benefit of Secured Party with an insurance company acceptable to Secured Party against loss or damage by fire, theft and such other risk as Secured Party may designate and in such amounts as are satisfactory to Secured Party, with a loss payable clause in favor of Secured Party as its interest may appear. The Debtor will on demand deliver the policies of insurance to Secured Party or other proof of such insurance coverage satisfactory to Secured Party. Debtor assigns to Secured Party all rights to receive proceeds of any insurance on the Collateral, directs any insurer of the Collateral to pay all proceeds of insurance directly to Secured Party, and authorizes the Secured Party to endorse any check, draft or other instrument for such proceeds and to apply such proceeds against such of the Obligations, whether or not then due and payable, as Secured Party, in its discretion, deems appropriate. Each of the then current officers of Secured Party is hereby appointed as Debtor's attorney-in-fact under a power coupled with an

interest to endorse any draft, check or other instrument which may be payable to Debtor to collect returned or unearned premiums or the proceeds of such insurance.

(n) Debtor acknowledges that the Obligations are intended to be senior in priority and payment to all other debts of the Debtor. All revenues, other than proceeds from any financing obtained by the Debtor subsequent to the date of this Security Agreement, received by the Debtor from any and all sources will be used to immediately curtail the Obligations. If the Debtor does not have capital sources sufficient to repay the Obligations in full by January 17, 2001, then the Debtor will sell any or all of the following technologies and all proceeds from any such sale will be paid to Secured Party in curtailment of the Obligations: (i) Transomer T-3 for Cold Cathode Fluorescent Lamp (CCFL) Backlight Inverters, (ii) Smart Vibration Concept for Highway/Bridge Paving and (iii) Lightning Tachnology for Wireless Remote Monitoring of Equipment.

(o) The Patents constitute all the Debtor's patents, technology, rights and entitlements related to the "concrete vibration" patents.

4. Possession of Collateral. Unless and until an Event of Default, as hereinafter defined, occurs, the Debtor may have possession of the Collateral and use the Collateral in any lawful manner not inconsistent with this Security Agreement or with any insurance policy on the Collateral. On the occurrence of any Event of Default, as hereinafter defined, the Secured Party will have the immediate right to the possession of the Collateral.

5. Events of Default. If any one or more of the following events ("**Events of Default**") occurs for any reason whatsoever (whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree, or order of any court or any order, rule, or regulation of any administrative or governmental body), then a default will be deemed to exist under this Security Agreement and the Note:

(a) If there occurs a default in the payment, performance or observance of any covenant, agreement or other term or provision of this Security Agreement, the Note, any of the other Obligations, any of the other Security Instruments or any instrument or document delivered to the Secured Party by Debtor, or if any of the foregoing documents or instruments shall terminate or become void or unenforceable without the written consent of the Secured Party;

(b) If any representation, warranty or other statement of fact contained in this Security Agreement, any of the Security Instruments, any of the Obligations, or made or delivered, whether orally or in writing, to the Secured Party in connection with this Security Agreement, any of the Obligations or any of the Security Instruments by Debtor, by any agent or employee of Debtor or by any guarantor of any of the Obligations proves to have been false, misleading or incomplete in any material respect at the time when such warranty, representation or statement was made or furnished to the Secured Party;

(c) If any report, certificate, financial statement or other instrument furnished to Secured Party by or on behalf of Debtor shall prove to be false, inaccurate or misleading in any material respect; or

(d) If Debtor fails to maintain the Secured Party's first priority perfected lien on the Collateral.

6. Remedies on Default. On the occurrence of any Event of Default and at any time thereafter if such Event of Default or any other Event of Default shall then be continuing, the Secured Party (i) may, at its option, declare all of the Obligations to be immediately due and payable, whereupon the maturity of the then unpaid balance of the Obligations shall be accelerated and the same, and all interest accrued thereon, shall forthwith become due and payable without presentment, demand or protest of any kind, all of which the Debtor expressly waives notwithstanding anything contained herein or in the Obligations which may appear or be construed to the contrary, (ii) will have all of the rights and remedies of a secured party under the Virginia UCC regardless of the jurisdiction in which all or any portion of the Collateral may be located, (iii) will have the right to enter on the premises where the Collateral is located to take possession or control of the Collateral, (iv) may require the Debtor to assemble the Collateral and deliver it, or make it available, to the Secured Party at any place and time designated by the Secured Party and (v) will also have the right to remain on the premises of the Debtor without cost or charge to the Secured Party and to use the premises together with the materials, supplies, books and records of the Debtor for the purpose of collecting or liquidating the Collateral, whether by foreclosure, auction or otherwise. In taking possession of the Collateral, the Secured Party may take possession of all personal property located in or attached to the Collateral without liability to the Debtor and may hold such personal property for the Debtor at the Debtor's expense.

Without limiting the generality of the foregoing, the Secured Party may sell or otherwise dispose of the Collateral as a whole or in parts at one or more public or private sales or may retain all or any portion of the Collateral in satisfaction of the Obligations secured hereby, with notice of such retention sent to the Debtor if required by law. Any public sale of the Collateral may be held at any office of the Debtor, the office of the Secured Party in the City of Virginia Beach, Virginia, or at any office of any attorney representing Secured Party. The Secured Party may sell the Collateral at one time or at different times (with such postponements of sale as may be deemed appropriate by the Secured Party in its absolute discretion), for cash or credit, with such bidder's deposit and on such other terms and conditions as the Secured Party deems appropriate in its absolute discretion. At the option of the Secured Party, the Collateral may be sold as a whole or in such separate groupings of the Collateral and in such order as the Secured Party may deem appropriate in its absolute discretion. No purchaser at any public or private sale of all or any part of the Collateral (other than the Secured Party) shall be required to see to the proper application of the purchase money.

The Secured Party's rights and remedies under this Security Agreement, at law and in equity, are cumulative, and the Secured Party may exercise all such rights and remedies without notice or demand to the Debtor. The Secured Party's rights and remedies under this Security Agreement shall be in addition to (a) all rights which the Secured Party may have under the terms

and provisions of the Note, the Obligations, and any other of the Security Instruments, (b) all rights of offset or setoff available to the Secured Party and (c) all rights and remedies of the Secured Party at law or in equity. Unless the Collateral is perishable and threatens to decline speedily in value or is a type customarily sold on a recognized market, the Secured Party shall give the Debtor at least seven (7) days' prior written notice of the day, time and place of any public sale or of the day and time after which any private sale or any other intended disposition may be made, and the Debtor agrees that such notice shall be deemed to be reasonable under all circumstances. If any sale of the Collateral be at public auction, the Secured Party may itself be a purchaser at such sale free from any right or equity of redemption of the Debtor, such right being hereby expressly waived and released. The Secured Party's reasonable expenses of retaking, holding, preparing for sale and selling the Collateral (including, without limitation, reasonable attorneys' fees) shall be deemed advances to the Debtor by the Secured Party, and the repayment of such expenses shall be secured by this Security Agreement.

On the occurrence of any Event of Default, the Secured Party also may, but is not obligated to:

(a) Notify any obligor or account debtor on any of the Accounts to make payment to the Secured Party;

(b) Collect by legal proceedings or otherwise any of the Accounts and endorse, receive and receipt for all dividends, interest, payments, proceeds and other sums and property now or hereafter payable on or on account of the Collateral;

(c) Enter into any compromise, settlement, extension or other agreement pertaining to the Collateral or deposit, surrender, accept, hold or apply other property in exchange for the Collateral, or extend the time for or modify the terms and conditions governing the drawing, presentation, negotiation or acceptance of drafts or other instruments;

(d) Insure, process or preserve the Collateral;

(e) Transfer Collateral to the Secured Party's name or its nominee's name;

(f) Exercise all the rights, powers, and remedies of an owner with respect to the Collateral; and/or

(g) Make any payment and/or perform any agreement undertaken by the Debtor and/or expend such sums and/or incur such expenses (including, without limitation, reasonable attorneys' fees) as the Secured Party in its sole discretion shall deem advisable.

All actions taken in good faith by the Secured Party and its officers, employees or agents shall be binding on the Debtor, and the Debtor agrees to indemnify and hold the Secured Party and its officers, employees and agents harmless from any loss, damage and expense whatsoever in connection therewith. The Debtor covenants not to sue the Secured Party for any claims for loss or damage to the Debtor caused by or resulting from any failure to enforce any contract right of the Debtor or any act or omission on the part of the Secured Party, its officers, agents or employees, except for the Secured Party's gross negligence or willful misconduct. The Debtor

assumes all risk of loss, damage or deterioration of the Collateral and will save and hold the Secured Party harmless from any loss therefrom. Such care as the Secured Party gives to the safekeeping of its own property of like kind shall constitute reasonable care of the Collateral when in the Secured Party's possession; but the Secured Party is not required to make presentment, demand or protest, or give notice, and need not take action to preserve any rights against prior or other parties in connection with any obligation or evidence of indebtedness held as Collateral or in connection with the Obligations.

The Secured Party, its successors and assigns, have all rights, powers and remedies as provided herein and as provided by law, including those of a secured party under the Virginia UCC, and may exercise such rights, power and remedies, effect any setoff, and/or proceed against the Collateral or other security for the Debtor's obligations at any time notwithstanding any cessation of the Debtor's liability under such Obligations for any reason other than payment in full, including, without limitation, the running of any applicable statutes of limitations, all of which the Debtor hereby waives to the fullest extent permitted by law.

7. Perfection; Further Assurances. The Debtor will from time to time execute such further instruments and do such further acts and things as the Secured Party reasonably may require by way of further assurance to the Secured Party of all of the rights and remedies of the Secured Party provided for or intended to be provided for in this Security Agreement. The Debtor must execute, deliver and file such financing statement or statements, or amendments thereof or supplements thereto, or other documents as the Secured Party may from time to time require to comply with the Virginia UCC and the laws of any jurisdiction in which all or any portion of any Collateral shall be located and to preserve and protect the security interests hereby granted, including, without limitation, registering the liens and security interests granted to Secured Party with the U.S. Patent and Trademark Office and/or the U.S. Copyright Office as required by Secured Party to register its liens and security interests under the Copyright Act of 1976, as amended, the Patent Act, as amended, and/or the Trademark Act of 1946, as amended. If the law of any jurisdiction other than Virginia becomes or is applicable to the Collateral or any part thereof or of any of the Obligations, then the Debtor must execute, deliver and file all such instruments and do all such other things as may be necessary or appropriate to preserve, protect and enforce the security interests and liens of the Secured Party under the law of such other jurisdiction to at least the same extent as such security interests and liens of the Secured Party would be protected under the Virginia UCC.

8. Proceeds of Disposition of Collateral. After deducting all reasonable costs and expenses of every kind incurred or incidental to the retaking, holding, advertising, preparing for sale and selling, leasing or otherwise disposing of the Collateral or in any way relating to the Secured Party's rights and remedies under this Security Agreement, including, without limitation, reasonable attorneys' fees and costs of any repairs deemed necessary or appropriate by the Secured Party, the Secured Party may apply the net proceeds of any sale or other disposition of the Collateral to payment in full or in part of any one or more of the Obligations, whether or not then due and payable, in such order and to such of the Obligations as the Secured Party may elect in the exercise of its absolute discretion. The Secured Party shall pay over to the Debtor or the person or entity entitled to receive it any surplus which may exist after full payment of all of the Obligations and any other payments the Secured Party may be required by law to make. The

Debtor shall remain liable to the Secured Party for the payment of any deficiency in the payment of any of the Obligations after the sale or other disposition of the Collateral.

9. Indemnification. The Debtor will indemnify and save the Secured Party harmless from all liabilities, losses, judgments, damages, expenses and costs of every kind and nature (including, without limitation, actual attorneys' fees) relating to any claims or demands of any person or entity other than the Debtor arising under or in connection with any acts or failures to act of the Secured Party and/or its officers, employees or agents authorized or permitted by the covenants, terms and conditions of this Security Agreement. Any liability, loss, damage, judgment, expense or cost incurred or suffered by the Secured Party relating to any claim or demand of any person or entity other than the Debtor arising under or in connection with any acts or failures to act of the Secured Party pursuant to the covenants, terms and conditions of this Security Agreement shall be part of the "Obligations" of the Debtor to the Secured Party, the payment of which shall be secured by this Security Agreement.

10. Time. Time shall be of the essence with regard to the performance by the Debtor of each of its obligations, duties and liabilities to the Secured Party under this Security Agreement, the Security Instruments, and the Obligations.

11. Administrative Provisions.

(a) Notices. All notices required by or given in connection with this Agreement shall be in writing and shall be deemed given and received when (i) personally delivered, (ii) one business day after being delivered by a nationally known overnight courier, (iii) one business day after being delivered by facsimile and the sender has electronic confirmation of the receipt of the facsimile transmission by the other party or (iv) three business days after being deposited in the United States mail, postage prepaid, certified, return receipt requested, addressed as follows:

If to Debtor: Face International Corporation
427 West 35th Street
Norfolk, VA 23508
Facsimile No.: 757-624-2128
Attn: Mr. Bradbury R. Face, President

with a copy to: J. Douglas Sorenson, Esquire
Kaufman & Canoles, P. C.
Bank of America Center
One Commercial Place
Post Office Box 3037
Norfolk, VA 23514
Facsimile No.: 757-624-3169

If to Secured Party: Eden Capital, LLC
1800 Eden Way
Virginia Beach, VA 23454
Facsimile No.: 757-362-0419
Attn: Mr. Paul O. Hirschbiel, Jr., President

with a copy to: Thomas R. Frantz, Esquire
Williams, Mullen, Clark & Dobbins, P.C.
900 One Columbus Center
Virginia Beach, Virginia 23462
Facsimile No.: 757-473-0395

Either party may change the address to which notices should be sent by written notice to the other party in compliance with this paragraph.

(b) Assignment. This Agreement will be binding on and inure to the benefit of the parties and their successors and assigns. No assignment by Debtor is permitted or will be binding without the prior written consent of the Secured Party.

(c) Complete Agreement. This Agreement constitutes the entire understanding and agreement between the parties in connection with the subject matter of this Agreement. All prior agreements, discussions, statements and representations (whether verbal or in writing) have been superseded by this Agreement and are void and of no effect.

(d) Modification. No waiver or modification of this Agreement or of any covenant, condition or limitation in this Agreement will be valid unless in writing and executed by the party to be charged with it.

(e) Applicable Law. This Agreement will be performed in accordance with, governed by and construed in accordance with the laws of the Commonwealth of Virginia.

(f) Severability. If any term, provision, covenant or condition of this Agreement is held by a court or regulatory body of competent jurisdiction to be invalid, void or unenforceable, the remainder of the Agreement will remain in full force and effect and will in no way be affected, impaired or invalidated. Furthermore, in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid and enforceable.

(g) Headings. The headings used in this Agreement are used for convenience only and are not intended to be used to construe or interpret the substance of this Agreement.

(h) Counterparts. This Agreement may be executed in one or more counterparts, all of which will constitute one and the same agreement.

(i) Attorney's Fees. If any dispute between the parties related to this Agreement is adjudicated, arbitrated, mediated or resolved by any court, arbitrator, mediator or other third party, then the non-prevailing party shall pay all the reasonable attorney's fees, costs and expenses of the prevailing party in any such proceeding.

12. Waiver of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEBTOR WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH THE DEBTOR AND THE SECURED PARTY MAY BE PARTIES, ARISING OUT OF, IN CONNECTION WITH, OR IN ANY WAY PERTAINING TO THIS SECURITY AGREEMENT OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION WITH THIS SECURITY AGREEMENT AT ANY TIME. It is agreed and understood that this waiver constitutes a waiver of trial by jury of all claims against all parties to such action or proceedings, including claims against parties who are not parties to this Security Agreement. This waiver is knowingly, willingly and voluntarily made by the Debtor, and the Debtor hereby represents that no representations of fact or opinion have been made by any individual to induce this waiver of trial by jury or to in any way modify or nullify its effect. The Debtor further represents and warrants that it has been represented in the signing of this Security Agreement and in the making of this waiver by independent legal counsel, or has had the opportunity to be represented by independent legal counsel selected of its own free will, and that it has had the opportunity to discuss this waiver with counsel.

IN WITNESS WHEREOF, a duly authorized officer of each party has executed this Security Agreement under seal as of the day and year first above written.

DEBTOR:

FACE INTERNATIONAL CORPORATION

By:  (SEAL)
Bradbury R. Face, President

SECURED PARTY:

EDEN CAPITAL, LLC

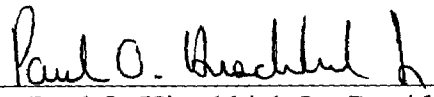
By:  (SEAL)
Paul O. Hirschbiel, Jr., President

Exhibit A

Description of Registered Patents and Patent Rights

1. U.S. Patent No. 5,520,862, "Method of Staged Resonant Frequency Vibration of Concrete", U.S. Patent and Trademark Office Reel/Frame 010360/0030, 8 pages.
2. U.S. Patent No. 5,527,175, "Apparatus of Staged Resonant Frequency Vibration of Concrete", U.S. Patent and Trademark Office Reel/Frame 010351/0964, 8 pages.

Temporarily located in: scan documents/security agreement-face international
Final document should be moved to: 028585.0002\security agreement