

07/23/2004
700101627

Form PTO-1595 (Rev. 06/04)
OMB No. 0651-0027 (exp. 6/30/2005)

U.S. DEPARTMENT OF COMMERCE
United States Patent and Trademark Office

RECORDATION FORM COVER SHEET
PATENTS ONLY

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)/Execution Date(s):

Advanced Material Sciences, Inc.
215 SW Washington St., Suite 204
Portland, OR 97204

Execution Date(s) July 22, 2004

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

Name: Dave Rippey C/O Rippey Corporation

Internal Address: 5000 Hilldale Circle

El Dorado Hills, CA 95762

Street Address: Same

City: El Dorado Hills

State: CA

Country: _____ Zip: 95762

Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment Merger
- Security Agreement Change of Name
- Government Interest Assignment
- Executive Order 9424, Confirmatory License
- Other _____

4. Application or patent number(s):

A. Patent Application No.(s)

"10/716,992"

This document is being filed together with a new application.

B. Patent No.(s)

Additional numbers attached? Yes No

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

Name: Dave Rippey/ C/O Rippey Corporation

Internal Address: _____

Street Address: 5000 Hilldale Circle

City: El Dorado Hills

State: CA Zip: 95762

Phone Number: 916-939-4332

Fax Number: 916-939-1954

Email Address: _____

6. Total number of applications and patents involved:

1

7. Total fee (37 CFR 1.21(h) & 3.41) \$ 40.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed No
- None required (government interest not affecting title)

8. Payment Information

a. Credit Card Last 4 Numbers 1026
Expiration Date 06 06

b. Deposit Account Number _____
Authorized User Name George Fleming

9. Signature:

George P. Fleming C.F.O.
Signature

July 22, 2004 Date

George P. FLEMING Chief Financial Officer
Name of Person Signing

Total number of pages including cover sheet, attachments, and documents:

4

Documents to be recorded (including cover sheet) should be faxed to (703) 308-5995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1460, Alexandria, V.A. 22313-1460

OP \$40.00 10716992

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT is entered into as of July 19, 2004 by and between **ADVANCED MATERIAL SCIENCES, INC.**, an Oregon corporation ("**GRANTOR**") and the secured party listed on the signature page hereof (the "**SECURED PARTY**").

RECITALS

A. The Secured Party has made and may in the future make certain advances of money to Grantor (the "**Loans**") in the amounts and manner set forth in those certain Secured Convertible Promissory Notes executed by Grantor in favor of the Secured Party (each a "**Note**" and, collectively, the "**Notes**") and that certain Note Purchase Agreement, of even date hereof, by and between Grantor and the Secured Party (as the same may be amended, modified or supplemented from time to time, the "**Purchase Agreement**"). The Secured Party is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to the Secured Party a security interest in certain Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Notes and the Purchase Agreement.

B. Pursuant to the terms of that certain Security Agreement, dated of even date herewith, by and between Grantor, and the Secured Party (as the same may be amended, modified or supplemented from time to time, the "**Security Agreement**"), Grantor has granted to the Secured Party a security interest in all of Grantor's right, title and interest in, to or under certain of the Grantor's assets. All capitalized terms used but not otherwise defined herein shall have the respective meanings assigned to them in the Security Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Notes, the Purchase Agreement and the Security Agreement (collectively, the "**Loan Documents**"), Grantor hereby represents, warrants, covenants and agrees as follows:

To secure its obligations under the Loan Documents and under all other agreements now existing or hereafter arising between Grantor and the Secured Party, Grantor grants and pledges to the Secured Party a first, priority security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property (including without limitation those Copyrights, Patents and Trademarks listed on Exhibits A, B and C hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

This security interest is granted in conjunction with the security interest granted to the Secured Party under the Security Agreement. The rights and remedies of the Secured Party with respect to the security interest granted hereby are subject to the terms of the Security Agreement and are in addition to those set forth in the Security Agreement and the other Loan Documents, and those which are now or hereafter available to the Secured Party as a matter of law or equity.

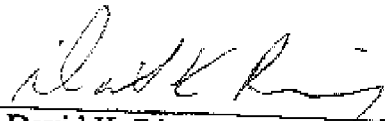
Advanced Material Sciences, Inc.
Intellectual Property Security Agreement
Page 2

Grantor represents and warrants that Exhibits A, B, and C attached hereto set forth any and all Intellectual Property rights in connection to which Grantor has registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

ADVANCED MATERIAL SCIENCES, INC.,
as Grantor


Michael Lubitz, Chairman


David K. Rippey, Secured Party

Address: 5000 Hillsdale Ct.
El Dorado Hills, California 95762

EXHIBIT B

PATENTS

PROTECTING THIN SEMICONDUCTOR WAFERS DURING BACK-GRINDING IN HIGH-VOLUME PRODUCTION; Patent Application Serial Number: 10/716,992