

03-14-2000



101289691

7419-0013

RECORDATION FORM COVER SHEET

FEB - 7 2000

TRADEMARKS ONLY

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Blairex Laboratories, Inc.

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation Indiana
☐ Other _____

Additional name(s) of conveying party(ies) attached?

- ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other _____

Execution Date: 10/14/99

Effective Date: 10/14/99

2. Name and address of receiving party(ies):

Irwin Union Bank and Trust Company

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation Indiana
☐ Other _____

Internal Address: _____

Street Address: 500 Washington StreetCity: Columbus State: Indiana ZIP: 47201Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application number(s) or Registration number(s):

A. Trademark Application No.(s)

See Attached Exhibit A

B. Trademark Registration No.(s)

See Attached Exhibit A

Additional numbers attached? ☐ Yes ☒ No

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

Name: E. Victor Indiano

Internal Address: Bose McKinney & Evans

Street Address: 135 North Pennsylvania Street
Suite 2700
Indianapolis, Indiana 46204

Telephone: (317) 684-5000

6. Total number of applications and trademarks involved: _____

7. Total fee (37 CFR 3.41):.....\$740.00

- ☒ Enclosed
☐ Authorized to be charged to deposit account

8. Deposit account number: 02-3223. Commissioner hereby authorized to charge any defect in fees or credit any overpayment to said deposit account.
(Attach duplicate copy of this page if paying by deposit account)

03/13/2000 DECATES 00000043 1911049

DO NOT USE THIS SPACE

01 FC:481
02 FC:482

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.

E. Victor Indiano
Name of Person Signing

Signature

Date

2/21/00

Total number of pages including cover sheet, attachments, and document: 8

SCHEDULE A

Trademark Registrations

<u>Name</u>	<u>Registration Number</u>
B and Design	1,911,049
Blairex	1,652,849
Blairex	1,611,852
Blairex and Design	2,171,587
Diluent of Choice	1,954,627
The Unchemical	1,770,726
Nasal Moist	1,733,926
Just Tears	1,632,891
Clean Sights	1,632,861
Duracare (Stylized Letters)	1,482,936
Duracare II	1,545,993
Broncho Saline	1,491,905
Breathe Free	1,704,106
Quick Pep	1,565,419
Endlice	1,462,477
Sleepinal	1,152,096
Caffedrine	989,280
Aqua-Ban	905,030
NP-27	672,092
Ginkogin	2,151,193
Encare	1,118,053
Tempo (Stylized Letters)	1,257,378
Tempo	1,069,263
Sleepinal Medicated Night Tea	1,808,757
Ultra Burn	2,131,217

Trademark Applications Pending

<u>Name</u>	<u>Serial Number</u>
Throat Moist	75/494,302
Heart Wise	75/506,780
Nature's Reward	75/505,871
Prime of Life	75/022,271

IM-267465-1

SECURITY AGREEMENT
(Equipment, Inventory, Accounts Receivable and General Intangibles)

BLAIREX LABORATORIES, INC., an Indiana corporation (the "Company"), grants to IRWIN UNION BANK AND TRUST COMPANY (the "Bank") a security interest in the Company's Equipment, Inventory, Accounts Receivable and General Intangibles, whether now owned and hereafter acquired, and in the proceeds thereof to secure the payment and performance of all of the Obligations. Such security interest is granted on the terms stated in this Security Agreement. This Security Agreement amends and restates that certain Security Agreement executed by the Company dated as of May 24, 1999.

1. **DEFINITIONS.** As used in this Security Agreement, the following terms have the meanings indicated when used with the initial letter capitalized:

(a) "Account Debtor" means a party who is obligated to the Company with respect to any Account Receivable or General Intangible.

(b) "Accounts Receivable" or "Account" means any right of the Company to payment for goods sold or leased or for services rendered, whether or not earned by performance.

(c) "Collateral" means all property or rights in which a security interest is granted under this Security Agreement.

(d) "Collateral Account" is used as defined in Paragraph 10(a).

(e) "Credit Agreement" means the Amended and Restated Credit Agreement between the Company and the Bank dated the date of this Security Agreement, as it may be amended from time to time.

(f) "Default" means an "Event of Default" as defined in the Credit Agreement.

(g) "Equipment" means all of the furniture, fixtures, machinery and equipment of the Company together with all tools, accessories, parts and accessions now in, attached to or hereafter placed in or added to such property, and any replacements of any such property.

(h) "General Intangibles" means any personal property (including but not limited to things in action, patents, trademarks, trade names, applications and registrations therefor,

as more fully described on Schedule A attached hereto, and other intangible assets) other than goods, Accounts, chattel paper, documents, instruments and money.

(i) "Inventory" means all goods which are held for sale or lease to customers or which are furnished, have been furnished or are to be furnished under contracts of service, or which are raw materials, work in process or materials used or consumed in the Company's business.

(j) "Obligations" is used as defined in the Credit Agreement.

2. FINANCING STATEMENTS. The Company authorizes the Bank at the expense of the Company to execute on its behalf and file a financing statement or statements in those public offices deemed necessary by the Bank to perfect its security interest, including assignments and registrations of security interests with respect to all patents, trademarks, trade names and similar assets. Such financing statements may be signed by the Bank alone. In addition, the Company shall execute and deliver any financing statement or other document that the Bank may request to perfect or to further evidence the security interest created by this Security Agreement including, without limitation, any certificate or certificates of title to the Collateral with the security interest of the Bank noted thereon or executed applications for such certificates of title.

3. LOCATION, INSPECTION AND PROTECTION OF COLLATERAL. Unless the Company gives the Bank not less than ten (10) days prior written notice of additional locations at which Inventory and Equipment shall be kept, all Inventory and Equipment is kept and shall be kept at the following addresses: 3240 N. Indianapolis Road, Columbus, Indiana 47201, 6322 East 650 South, Edinburg, IN 46124, 681 North Delsea Drive, Vineland, NJ 08360, 11 Chapin Road, Pine Brook, NJ 07058, 3001 Red Lion Road, Philadelphia, PA 19114, and 36 Troy Road, Whippany, NJ 07981. Unless the Company gives the Bank written notice of the location of additional offices where records of the Company relative to Accounts Receivable and General Intangibles are kept, all such records of the Company shall be kept at the following address: 3240 N. Indianapolis Road, Columbus, Indiana 47201, which the Company represents is also the address of its principal office. The Company shall not keep duplicate Accounts Receivable records at any other address or change the location of its principal office unless the Company gives the Bank not less than 10 days prior written notice of such event. The Company shall, at all reasonable times and in a reasonable manner, allow the officers, attorneys and accountants of the Bank to examine, inspect, photocopy and make abstracts from the Company's books and records and to verify Equipment and Inventory, the latter both as to quantity and quality, and to arrange for verification of Accounts Receivable, under reasonable procedures, directly with the Account Debtors or by other methods. The Company shall also deliver to the Bank upon request any promissory notes or other papers evidencing any Account and any guaranty or collateral together with appropriate endorsements and assignments and any information relating thereto and shall do anything else the Bank may reasonably require to further protect the Bank's interest in the Collateral. If any of the Collateral consists of Equipment normally used in more than one state and the Company intends to use any of such Collateral in any jurisdiction other than a state in which the Company shall have previously advised the Bank such Collateral is

to be used, the Company shall not commence use in such other jurisdiction except upon ten (10) days prior written notice to the Bank.

4. **FIXTURES.** None of the Collateral is attached to real estate so as to constitute a fixture. If any Collateral is hereafter so attached to any real estate, notice of the common address, legal description, and name of the owner of record of such real estate shall be furnished to the Bank at least ten (10) days prior to such attachment. If any Collateral is hereafter attached to real estate prior to the perfection of the security interest created by this Security Agreement in such Collateral, the Company shall, on demand, furnish the Bank with a disclaimer of interest in the Collateral executed by each person having an interest in such real estate.

5. **THE COMPANY'S TITLE.** The Company has full and clear title to all of the Collateral presently owned and shall have such title to all Collateral hereafter acquired except for the security interest granted by this Security Agreement and any other lien or security interest permitted under the terms of the Credit Agreement, and the Company shall keep the Collateral free at all times from any lien or encumbrance except those permitted by the Credit Agreement. No financing statements covering all or any portion of the Collateral is on file at any public office except as may be required or permitted by this Security Agreement and the Credit Agreement.

6. **THE COMPANY'S DUTY TO MAINTAIN THE COLLATERAL.** The Company shall keep all tangible Collateral in good order and repair and shall not waste or destroy any of the Collateral. The Company shall not use the Collateral in violation of any statute or ordinance or contrary to the provisions of any policy of insurance thereon.

7. **INSURANCE.** In addition to maintaining such insurance on the Collateral as is required by the Credit Agreement, the Company shall, upon the reasonable request of the Bank, keep the Collateral insured against such additional risks, in such amounts and under such policies as the Bank may reasonably require and with such companies as shall be reasonably acceptable to the Bank. All policies providing insurance on the Collateral shall provide that any loss thereunder shall be payable to the Bank under a standard form of secured lender's loss payable endorsement. The Company authorizes the Bank to endorse on the Company's behalf and to negotiate drafts reflecting proceeds of insurance on the Collateral, provided that the Bank shall remit to the Company such surplus, if any, as remains after the proceeds have been applied at the Bank's option, (a) to the satisfaction of all of the Obligations or to the establishment of a cash collateral account for the Obligations, or (b) to the replacement or repair of the Collateral; provided, however, that so long as no Default exists, and provided further that the Company can demonstrate to the Bank's satisfaction that any proposed replacement or repair of Collateral is economically and physically feasible, such proceeds shall be applied, at the Company's option and to the extent necessary, as provided in the foregoing clause (b). Certificates evidencing the existence of all of the insurance required under the Credit Agreement or this Security Agreement shall be furnished to the Bank by the Company and the original policies providing such insurance shall be delivered to the Bank at its request.

8. ADVANCES TO PROTECT COLLATERAL. Upon failure of the Company to procure any required insurance or to remove any prohibited encumbrance upon the Collateral or if any policy providing any required insurance is canceled, the Bank may procure such insurance or remove any encumbrance on the Collateral and any amounts expended by the Bank for such purposes shall be immediately due and payable by the Company to the Bank and shall be added to and become a part of the Obligations secured hereby and shall bear interest at the interest rate then applicable to the Obligations under the terms of the Credit Agreement.

9. DEALING WITH COLLATERAL PRIOR TO DEFAULT. Prior to Default and thereafter until the Bank shall notify the Company of the revocation of such authority:

(a) the Company may, in the ordinary course of business, at its own expense, sell, lease or furnish under contracts of service, any of the Inventory normally held by the Company for such purposes, provided that a sale in the ordinary course of business shall not include a transfer in total or partial satisfaction of a debt, and the Company may use and consume, in the ordinary course of its business, any raw materials, work in process or materials normally held by it for such purposes;

(b) the Company shall, at its own expense, endeavor to collect, when due, all amounts due with respect to any Accounts or General Intangibles, and shall take such action with respect to collection as the Bank may reasonably request or, in the absence of such request, as the Company may deem advisable in accordance with sound business practice, and

(c) the Company may grant, in the ordinary course of business, to any Account Debtor, any rebate, refund or adjustment to which such Account Debtor may be entitled, and may accept, in connection therewith, the return of the goods, the sale or lease of which shall have given rise to the obligation of the Account Debtor.

10. DEALING WITH COLLATERAL AFTER DEFAULT. After Default and upon the request of the Bank:

(a) the Company shall upon receipt of any checks, drafts, cash or other remittances in payment of Inventory sold or in payment of Accounts Receivable of the Company, deposit the same in a special collateral account (the "Collateral Account") maintained with the Bank; such proceeds shall be deposited in the form received except for the endorsement of the Company when required, which endorsement the Bank is authorized to make on the Company's behalf, and shall be held by the Bank as security for all Obligations;

(b) the Company shall deliver to the Bank all other instruments and chattel paper which constitute proceeds from the sale of Collateral, whether then held or thereafter acquired, and

(c) the Company shall keep segregated any such checks, drafts, cash, other instruments, chattel paper or other remittances from any of the Company's other funds or property and shall

hold such items in trust for the benefit of the Bank until delivery to the Bank or deposit in the Collateral Account and the Bank may apply all or any portion of the funds on deposit in the Collateral Account against any Obligations in the order of application provided for in the Credit Agreement or, absent such provision, at the discretion of the Bank.

After Default, the Bank may notify any Account Debtor to make payment directly to the Bank of any amounts due or to become due under any Account Receivable, General Intangible, instrument or chattel paper and the Bank may enforce the collection of any Account Receivable, General Intangible, instrument or chattel paper in its name or in the name of the Company, by suit or otherwise, and may surrender, release or exchange all or any part thereof or compromise or extend or renew for any period, whether or not longer than the original period, any indebtedness thereunder or evidenced thereby, and any Account Debtor will be fully protected in relying upon the representation of the Bank that it has authority under the terms of this Security Agreement to deal with any Account Receivable, General Intangible, instrument or chattel paper and need not look beyond this Security Agreement and such representation of the Bank to establish the Bank's authority in that regard.

11. **SUBSTITUTION AND SALE OF EQUIPMENT.** The Company may from time to time so long as no Default has occurred and is continuing, substitute items of Equipment so long as any new Equipment becomes subject to the security interest created by this Security Agreement and is subject to no prior liens or security interest other than those permitted by the Credit Agreement. So long as no Default has occurred and is continuing, the Company may, in the ordinary course of its business, sell or otherwise dispose of any items of Equipment for which substitutes have been obtained or which are no longer useful to the Company in its operations, provided that at least 10 days prior written notice of any proposed disposition of any material amount of Equipment in a single or a planned series of transactions is given to the Bank. Upon the request of the Company, the Bank will deliver an appropriate release of its security interest in any item of Equipment disposed of by the Company pursuant to the provisions of this paragraph.

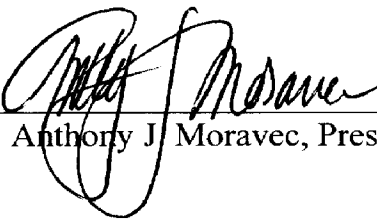
12. **REMEDIES UPON DEFAULT.** Upon the occurrence of any Default, the Bank shall have with respect to the Collateral, in addition to all rights and remedies specified in the Credit Agreement, this Security Agreement or any other agreement between the Company and the Bank, the remedies of a secured party under the Uniform Commercial Code (the "Code") as in effect from time to time in Indiana, regardless of whether the Code in such form has been enacted in the jurisdiction in which any such right or remedy is asserted. Any notice required by law, including but not limited to notice of the intended disposition of all or any portion of the Collateral, shall be deemed reasonably and properly given if given at least 10 days prior to such disposition in the manner prescribed for the giving of notices in the Credit Agreement. Any proceeds of the disposition of any of the Collateral shall be applied first to the payment of the expenses of the retaking, holding, repairing, preparing for sale and sale of the Collateral, including reasonable attorneys' fees and legal expenses in connection therewith and any balance of such proceeds shall be applied by the Bank to the Obligations in such order as the Bank shall determine.

13. RELATION TO CREDIT AGREEMENT. This Security Agreement is given pursuant to the terms of the Credit Agreement and shall be deemed a part thereof and subject to the terms and conditions of the Credit Agreement.

14. NOTICES. Any notice required or otherwise given concerning this Security Agreement by either party to the other shall be given as notices are required to be given under the terms of the Credit Agreement.

Dated: October 14, 1999

BLAIREX LABORATORIES, INC.

By: _____
Anthony J. Moravec, President

IM-266241-2