

03-21-2002



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MRD 10/16/01

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 3/31/2002)

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

Tab settings

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

1. Name of conveying party(ies):
DYNAL BIOTECH, INC.

Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State
 Other _____

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

2. Name and address of receiving party(ies)
Name: **UNION BANK OF NORWAY**
Internal
Address: _____
Kirkegaten 18, P.O. Box 1172
Street Address: **Sentrum, N-0107**
City: **Oslo** State: **Norway** Zip: _____

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State _____
 Other **Bank organized under laws of Norway**

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
 (Designations must be a separate document from assignment)
 Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: **10/16/2001**

4. Application number(s) or registration number(s):
 A. Trademark Application No.(s)
Application Serial Number: 73624693

Additional number(s) attached Yes No

B. Trademark Registration No.(s)
Reg. No. 1,525,023

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: **UNION BANK OF NORWAY**
 Internal Address: _____

 Street Address: **Kirkegaten 18, P.O. Box 1172**
Sentrum, N-0107
 City: **Oslo** State: **Norway** Zip: _____

6. Total number of applications and registrations involved: **1**

7. Total fee (37 CFR 3.41) \$ **40.00**
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: _____
FEE OK

(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.

Richard W. Ellis *Richard W. Ellis* **10/16/01**
 Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

**Recordation Form Cover Sheet
Trademarks Only
Page 2**

STATEMENT OF ADDITIONAL INFORMATION

Item No. 2: Name and Address of Receiving Part(ies)

**Name: Union Bank of Norway
Kirkegaten 18, P.O. Box 1172
Sentrum, N-0107
Oslo, Norway**

Union Bank of Norway is a bank organized under the laws of Norway. In accordance with 37 CFR § 3.61, Union Bank of Norway designates Delaware Corporation Organizers, Inc. to serve as their domestic representative.

**Name: Delaware Corporation Organizers, Inc.
1201 North Market St.
P.O. Box 1347
Wilmington, DE 19899-1347**

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Agreement") is made as of October 16, 2001 by and between DYNAL BIOTECH, INC., a Delaware corporation ("Debtor"), and UNION BANK OF NORWAY, a bank organized under the laws of Norway, as secured party (as agent for the relevant Creditors (as defined in the Guarantee and Security Agreement referenced below)) (the "Secured Party").

WITNESSETH

WHEREAS, Debtor and Secured Party are parties to that certain Guarantee and Security Agreement executed by Debtor, among others, in favor of Secured Party dated October 16, 2001 (the "Guarantee")

WHEREAS, pursuant to the Guarantee, Debtor has guaranteed the Guaranteed Obligations (as defined in the Guarantee and as used here the "Guaranteed Obligations") which include, among other things, the obligations of Dynal Biotech ASA, Dynal Biotech Ltd. and Toppersen AS (pending name change to Dynal Biotech Holding AS) as borrowers (the "Borrowers"), under a term loan facility agreement dated October 16, 2001 (the "Operating Facility") and an overdraft facility of even date therewith (the "Overdraft Facility") and a Swap Agreement of even date therewith (the "Swap Agreement" and collectively with the Operating Facility and the Overdraft Facility, the "Loan Facilities" or the "Indebtedness") made between the Borrowers and the financial institutions listed in Schedule 1 to the Operating Facility as banks and Secured Party;

WHEREAS, to secure the payment of the Guaranteed Obligations and any amounts due hereunder and in order to induce Secured Party to enter into the Loan Facilities, Debtor has agreed to execute this Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

1. Defined Terms; Rules of Construction. Terms used herein without definition that are defined in the Uniform Commercial Code, as enacted in Delaware and in effect on the date hereof (the "Uniform Commercial Code"), shall have the meanings ascribed to them therein, unless the context requires otherwise. Words used herein, regardless of the number and gender used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires, and, as used herein, unless the context requires otherwise, the words "hereof," "herein," and "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement and, as used herein, the term "including" shall be deemed to mean "including without limitation."

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6

This Agreement is among financially sophisticated and knowledgeable parties and is entered into by the parties in reliance upon the economic and legal bargains contained herein and shall be interpreted and construed in a fair and impartial manner without regard to such factors as the party who prepared, or caused the preparation of, this Agreement or the relative bargaining power of the parties.

2. Grant of Security: Certain Limited Exclusions. (a) Debtor hereby grants to Secured Party a security interest and continuing lien on all of Debtor's right, title and interest in, to and under all tangible and intangible personal property of Debtor including, but not limited to the following, in each case whether now owned or existing or hereafter acquired or arising and wherever located (the "Collateral"):

(i) all accounts, accounts receivable, rights under contracts, and all obligations due Debtor for goods sold or to be sold, or leased or to be leased, or services rendered or to be rendered ("Accounts");

(ii) all chattel paper, including, without limitation, electronic chattel paper and tangible chattel paper;

(iii) all instruments, including, without limitation, those evidencing, representing, securing, owning or otherwise relating to any Accounts or other Collateral;

(iv) all investment property;

(v) all intellectual property, including, without limitation, all patents and applications for letters patent anywhere in the world, including, but not limited to, each patent and patent application referred to in Exhibit A (as amended or supplemented from time to time), all reissues, divisions, continuations, continuations-in-part, extensions, renewals, and reexaminations of the foregoing, all rights corresponding thereto anywhere in the world (collectively, "Patents"), all trademarks, trade names, corporate names, company names, business names, fictitious business names, internet domain names, trade dress, trade styles, service marks, certification marks, collective marks, logos, other source or business identifiers, designs, all registrations and applications for any of the foregoing, including, without limitation, the registrations and applications referred to in Exhibit A (as amended or supplemented from time to time) (collectively, "Trademarks"); all copyrights, whether registered or unregistered now or hereafter in force anywhere in the world, all registrations and applications therefor including, without limitation, the registrations and applications referred to in Exhibit A (as amended or supplemented from time to time), all rights corresponding thereto anywhere in the world, all extensions and renewals (collectively, "Copyrights"); all trade secrets and all other confidential or proprietary information and know-how owned, used or useful in Debtor's business (collectively, "Trade Secrets"); and any licenses to any Patents, Trademarks, Copyrights or Trade Secrets and the right to sue for past or present infringement of any of the foregoing. (All of the foregoing being hereinafter referred to collectively as "Intellectual Property");

(vi) all insurance policies covering any or all of the Collateral (regardless of whether Secured Party is the loss payee thereof) and any key man life insurance policies;

(vii) all letter of credit rights;

(viii) all commercial tort claims set forth in Exhibit B;

(ix) all inventory, whether raw materials, work-in-process, finished goods, parts or supplies or otherwise; all goods, merchandise and other property held for sale or lease or to be furnished under any contract of service; all documents of title covering any goods which are or are to become inventory and any such goods which are leased or consigned to others ("Inventory");

(x) all documents;

(xi) all equity interests, including, without limitation, all of the issued and outstanding shares, interests or other equivalents of capital stock of any corporation at any time now or hereafter owned by Debtor (including, without limitation, any corporation that is or hereafter becomes a subsidiary of Debtor), whether voting or non-voting and whether common or preferred, all partnership, joint venture, limited liability company or other equity interests in any person not a corporation at any time now or hereafter owned by Debtor (including, without limitation, any such person that is or hereafter becomes a subsidiary of Debtor), all options, warrants and other rights to acquire, and all securities convertible into, any of the foregoing, all rights to receive interest, income, dividends, distributions, returns of capital and other amounts (whether in cash, securities, property, or a combination thereof), and all additional stock, warrants, options, securities, interests and other property, from time to time paid or payable or distributed or distributable in respect of any of the foregoing, including, without limitation, all rights of Debtor to receive amounts due and to become due under or in respect of any investment agreement or upon the termination thereof, all rights of access to the books and records of any such person, and all other rights, powers, privileges, interests, claims and other property in any manner arising out of or relating to any of the foregoing, of whatever kind or character (including any tangible or intangible property or interests therein), and whether provided by contract or granted or available under applicable law in connection therewith, including, without limitation, Debtor's right to vote and to manage and administer the business of any such person pursuant to any applicable constituent documents or other agreements creating, governing or evidencing any such equity interests and to which Debtor is now or hereafter becomes a party, together with all certificates, instruments and entries upon the books of securities intermediaries at any time evidencing any of the foregoing;

(xii) all leases and rental agreements for personal property between Debtor as lessor (whether by origination or derivation) and any and all persons or parties as lessee(s), and all rentals, purchase option amounts, and other sums due thereunder; and all inventory, equipment, goods and property subject to such leases and rental agreements and all accessions, parts and tools attached thereto or used therewith and all of Debtor's residual or reversionary rights therein;

(xiii) all machinery, equipment, furniture, fixtures, computer hardware and software, and all accessories, parts and equipment now or hereafter affixed thereto or used in connection therewith, and all other tangible personal property ("Equipment");

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(xiv) all general intangibles including, without limitation, all tax refunds;

(xv) all the property listed on any Exhibit attached to this Agreement and any other Exhibit hereafter made an Exhibit to this Agreement;

(xvi) all additions, replacements, attachments, accessions and substitutions to or for any Inventory or Equipment;

(xvii) all property of Debtor, including without limitation, instruments, chattel paper and documents, which at any time Secured Party shall have or have the right to have in its possession, or which is in transit to it (pursuant to the terms of a letter of credit or otherwise) and, independent of and in addition to Secured Party's rights of setoff (which Debtor acknowledges), the balance of any account or any amount which may be owing from time to time by Secured Party to Debtor;

(xviii) all books and records evidencing or relating to the foregoing, including, without limitation, billing records of every kind and description; customer lists, data storage and processing media, software and related material, including computer programs, computer tapes, disks, printouts, punch cards and tab runs; and

(xix) all proceeds of any of the foregoing, including, without limitation, whatever is received upon the use, lease, sale, exchange, collection or other utilization or any disposition of any of the collateral described in subsections (i) through (xviii) above, whether cash or noncash, and including, without limitation, rental or lease payments, accounts, chattel paper, instruments, documents, contract rights, general intangibles, equipment, inventory and insurance proceeds; and all such proceeds of the foregoing ("Proceeds").

(b) Notwithstanding anything herein to the contrary, the Collateral shall not include, and Debtor shall not be deemed to have granted a security interest in, any of Debtor's right, title or interest (i) in any Intellectual Property if the grant of such security interest will constitute or result in the abandonment, invalidation or rendering unenforceable of any right, title or interest of Debtor therein, but only to such extent; (ii) and any license, contract or agreement to which Debtor is a party or any of its rights or interests thereunder, to the extent, but only to the extent, that such a grant, under the terms of such license, contract or agreement, results in a breach or termination of the terms of, or constitutes a default under or termination of, any such license, contract or agreement other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406 or 9-408 of the Uniform Commercial Code (or any successor provision or provisions) or any other applicable law (including the Federal Bankruptcy Code, Title 11 of the United States Code, or Principles Of Equity); provided, that Debtor agrees to use its reasonable best efforts to obtain all requisite consent to enable Debtor to provide a security interest in such asset and, in any event, immediately upon the ineffectiveness, lapse or termination of any such provision, the Collateral shall include, as Debtor shall be deemed to have granted a security interest in, all such rights and interests as if such provision had never been in effect. Exhibit C identifies, or within 10 days of the date hereof will identify, all Intellectual Property and all material licenses, contracts and agreements of Debtor to which the exclusion set forth in this Section 2(b) applies.

3. Secured Obligations. The security interest created herein is given as security for the prompt payment, performance, satisfaction and discharge of the following obligations ("Obligations") of Debtor:

(a) To pay all Guaranteed Obligations and all other obligations and liabilities of Debtor to Secured Party under the Guarantee in accordance with the terms thereof, including any extensions, modifications, renewals thereof and substitutions therefor; and

(b) To reimburse Secured Party, on demand, for all of Secured Party's expenses and costs, including the reasonable fees and expenses of its counsel, in connection with the negotiation, preparation, administration, amendment, modification, or enforcement of the Guarantee and this Agreement.

4. Representations and Warranties. Debtor hereby represents and warrants as follows:

(a) Ownership of Collateral. Debtor owns, or has valid rights as a lessee or licensee to, all Collateral purported to be pledged by it hereunder, which constitutes all the personal property used by Debtor in the conduct of its business, free and clear of any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing and, in the case of pledged equity interests, any purchase option, call or similar right of a third party with respect to such pledged equity interests (collectively, "Liens"), except for the Liens granted to Secured Party pursuant to this Agreement and except for those listed on Exhibit D ("Permitted Liens"). No security agreement, financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any government or public office, and Debtor has not filed or consented to the filing of any such statement or notice, except (i) Uniform Commercial Code financing statements naming Secured Party as secured party, (ii) security instruments filed in the U.S. Copyright Office or the U.S. Patent and Trademark Office naming Secured Party as secured party and (iii) as may be otherwise permitted by the Guarantee or the Loan Facilities.

(b) Location of Books and Records of Debtor. The locations of the offices where Debtor maintains its books and records concerning the Collateral are, and for the one-year period preceding the date hereof have been, as set forth in Exhibit E or at such other or additional locations hereafter disclosed to Secured Party pursuant to Section 5(i) hereof.

(c) Chief Executive Office of Debtor. The chief executive office of Debtor is located, and for the one-year period preceding the date hereof has been located, at the address set forth in Exhibit E or at such other or additional location hereafter disclosed to Secured Party pursuant to Section 5(e) hereof.

(d) Location of Fixtures, Equipment and Inventory. All Fixtures, Equipment and Inventory of Debtor is located, and for the one-year period preceding the date hereof has been located, at one or more of the addresses set forth in Exhibit E or at such other or additional locations hereafter disclosed to Secured Party pursuant to Section 5(i) hereof.

(e) Corporate Organization. Debtor is, and for the one-year period preceding the date hereof has been, a corporation duly organized, validly existing and in good standing under the laws of Delaware.

(f) Legal Name. The full legal name of Debtor is as set forth herein. The full legal name of the Debtor was originally Dynal, Inc. and was changed to Dynal Biotech, Inc. on January 31, 2001. Other than under the name of Dynal, Inc. for the period prior to January 31, 2001, Debtor has not done in the last five (5) years, and does not do, business under any other name (including any trade-name or fictitious business name).

(g) Security Interest. The security interest granted to Secured Party under this Agreement shall constitute a valid and perfected first priority security interest in and Lien upon the Collateral in favor of Secured Party.

(h) Authorization; Consent. No authorization, consent or approval of, or declaration or filing with, any federal, state, county, local, foreign or other governmental or public agency, court, arbitrator, tribunal, administrative agency, instrumentality, commission, authority, board or body (each, a "Governmental Authority") (including, without limitation, any notice filing with state tax or revenue authorities required to be made by account creditors in order to enforce any Accounts in such state) is required for the valid execution, delivery and performance by Debtor of this Agreement, the grant by it of the Lien and security interest in favor of Secured Party provided for herein, or the exercise by Secured Party of its rights and remedies hereunder, except for (i) the filings and actions described in Section 4(h), (ii) in the case of Accounts, Chattel Paper, Contracts, General Intangibles and Instruments owing from any Governmental Authority or as to which any Governmental Authority is a party, (A) the filing by Secured Party of a notice of assignment in accordance with the Federal Assignment of Claims Act or any similar provisions of any law, rule or regulation of any such Governmental Authority, and (B) with respect to such performance or exercise, compliance with the provisions of any such Accounts, Chattel Paper, Contracts, General Intangibles and Instruments relating to, limiting or prohibiting the assignment or transfer thereof and (iii) in the case of Equity Interests and other securities, such filings and approvals as may be required in connection with a disposition of any such Collateral by laws affecting the offering and sale of securities generally.

(i) No Restrictions. There are no statutory or regulatory restrictions, prohibitions or limitations on Debtor's ability to grant to Secured Party a Lien upon and security interest in the Collateral pursuant to this Agreement or (except for the provisions of the Federal Assignment of Claims Act and similar provisions of any law, rule or regulation of any other Governmental Authority) on the exercise by Secured Party of its rights and remedies hereunder (including any foreclosure upon or collection of the Collateral), and there are no contractual restrictions on Debtor's ability so to grant such Lien and security interest, except any such restrictions, prohibitions or limitations that, individually or taken as a whole, would not have a material adverse effect on the business, operations, properties, assets, condition (financial or otherwise) or prospects of Debtor, individually or taken as a whole (a "Material Adverse Effect").

(j) Intellectual Property. Exhibit A correctly sets forth all Intellectual Property owned by Debtor as of the date hereof and used or proposed to be used in its business.

Except to the extent that, taken individually or as a whole, the same would not have a Material Adverse Effect, each Debtor owns or possesses the valid right to use all Intellectual Property; no claim has been made in writing or, to the knowledge of Debtor, orally, that any of such Intellectual Property is invalid or unenforceable or violates or infringes the rights of any other person, and to the knowledge of Debtor, there is no such violation or infringement in existence; and to the knowledge of Debtor, no other person is presently infringing upon the rights of Debtor with regard to any such Intellectual Property.

(k) Status. Debtor is duly incorporated and validly existing under the laws of the State of Delaware with full power and authority to own its assets and carry on its business as it is presently being conducted.

(l) Power and Authority. Debtor has full power and authority to enter into and perform, and has taken all necessary corporate action to authorize, the entry into, performance and delivery of, this Agreement and the transactions contemplated herein.

(m) Legal Validity and Enforceability. This Agreement constitutes the legal, valid and binding obligation of Debtor, enforceable in accordance with its terms, and no registration, filing, payment of tax or fees or other formalities are necessary or desirable to render this Agreement enforceable against Debtor other than as provided for herein.

(n) The entry into and performance by Debtor of this Agreement and the transactions contemplated herein, do not and will not violate, constitute a breach of, or conflict with: (i) any present law or regulation or judicial or official order; (ii) the certificate of incorporation, bylaws or any other constituent document of Debtor; or (iii) any document or agreement that is binding upon Debtor or any of its assets.

(o) No Default. No default is outstanding or might result from the entering into of this Agreement and no other event is outstanding that constitutes or, with a giving of notice, lapse of time, determination of materiality or the fulfillment of any other applicable condition, or any combination of the foregoing, might constitute an event of default under any document that is binding on Debtor or any of its assets and that could have a Material Adverse Effect.

(p) Authorizations and Consents. All authorizations and consents required in connection with the entry into, performance, validity and enforceability of this Agreement, and the transactions contemplated hereby, have been obtained or effected (as appropriate) and are in full force and effect.

(q) Litigation and Labor Disputes. No claims, litigation, arbitration or administrative proceedings or labor disputes are current or pending or, to Debtor's knowledge, threatened, against Debtor that might, if adversely determined, have a Material Adverse Effect.

(r) Environmental Issues. There are no known conditions or circumstances associated with the currently or previously owned or leased properties or operations of Debtor that may give rise to any environmental liability of Debtor which would have, or would reasonably be expected to have, a Material Adverse Effect.

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5

(s) No Winding Up. Debtor has not taken any corporate action, nor have any steps been taken or legal proceedings been started, or threatened, against Debtor, for the winding up, dissolution, administration or reorganization (whether by voluntary arrangement, scheme or arrangement or otherwise) or for the appointment of a receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of Debtor or any of its assets or revenues.

(t) Sufficiency of Collateral. Debtor owns, or has valid rights as a lessee or licensee to, all personal property necessary to the conduct of Debtor's business as conducted on the date hereof.

5. Covenants and Agreements of Debtor.

(a) Use and Disposition of Collateral. Unless notified otherwise by Secured Party after the occurrence and during the continuation of a Default, Debtor may, in any lawful manner not inconsistent with the provisions of this Agreement, the Guarantee and the Loan Facilities, use, control and manage the Collateral in the ordinary course of the operation of its businesses, and receive and use the income, revenue and profits arising therefrom and the Proceeds thereof, provided, however, that Debtor will not sell or otherwise dispose of, grant any option with respect to, or grant any Lien with respect to or otherwise encumber any of the Collateral or any interest therein, except for the security interest created in favor of Secured Party hereunder and except as may be otherwise permitted, in accordance with the terms of this Agreement, the Guarantee and the Loan Facilities (including any applicable provisions therein regarding delivery of proceeds of sale or disposition to Secured Party); provided, further, that specifically with respect to Equipment, no sale, lease or other disposition of any item of Equipment valued at more than \$300,000 shall be permitted, except in accordance with such terms and conditions as Secured Party shall have expressly approved in writing and except for the sale or other disposition of obsolete Equipment that is no longer used or useful in Debtor's business. Debtor shall not produce, use or permit any Collateral to be used unlawfully or in violation of any provision of this Agreement or any applicable statute, regulation or ordinance or any policy of insurance covering the Collateral.

(b) Maintenance and Inspection of Books and Records. Debtor shall maintain complete and accurate books and records and shall make all necessary entries therein to reflect the costs, values and locations of its Inventory and Equipment and the transactions and documents giving rise to its Accounts and all payments, credits and adjustments thereto. Debtor shall keep Secured Party fully informed as to the location of all such books and records at the request of Secured Party and shall permit Secured Party and his authorized agents to have reasonable access thereto, at any reasonable time and with reasonable prior notice, to inspect, audit and make copies of all books and records, data storage and processing media, software, printouts, journals, orders, receipts, invoices, correspondence and other documents and written or printed matter related to any of the Collateral. Secured Party's rights hereunder shall be enforceable at law or in equity, and Debtor consents to the entry of judicial orders or injunctions enforcing specific performance of such obligations hereunder.

(c) Confirmation of Accounts. Debtor agrees that Secured Party shall from time to time and with reasonable advance notice to Debtor have the right to confirm orders

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2

and to verify any or all of Debtor's Accounts in Secured Party's name, or in any fictitious name used by Secured Party for verifications, or through any public accountants.

(d) Delivery of Account Documentation. At such intervals as Secured Party shall reasonably require, Debtor shall deliver to Secured Party copies of any document or instrument that evidences or gives rise to an Account.

(e) Change of Name, Corporate Structure, etc. Debtor shall not change its name, identity, corporate structure, sole place of business, chief executive office or jurisdiction of organization or establish any trade names unless it shall have (i) notified Secured Party in writing, at least thirty (30) days prior to any such change or establishment, identifying such new proposed name, identity, corporate structure, sole place of business, chief executive office, jurisdiction of organization or trade name and providing such other information in connection therewith as Secured Party may reasonably request and (ii) taken all actions necessary or advisable as reasonably determined by Secured Party to maintain the continuous validity, perfection and the same or better priority of Secured Party's security interest in the Collateral intended to be granted and agreed to hereby.

(f) Physical Inspection. Debtor shall permit Secured Party and its authorized representatives to inspect any or all of Collateral at reasonable times with reasonable advance notice.

(g) Notice of Secured Party's Interests. If requested by Secured Party, Debtor shall give notice of Secured Party's security interests in the Collateral to any third person with whom Debtor has any actual or prospective contractual relationship or other business dealings if such information in Secured Party's reasonable discretion would be relevant to such contractual relationship or business dealings.

(h) Delivery of Certain Accounts and Documents to Secured Party. If requested by Secured Party, immediately upon receipt of any instrument, chattel paper or document of title (including bills of lading and warehouse receipts), Debtor shall deliver such Collateral to Secured Party and shall execute any form of assignment reasonably requested by Secured Party with respect thereto.

(i) New Locations of Collateral and Books and Records. Debtor shall immediately notify Secured Party of any new or additional address where its books and records concerning the Collateral are located and of any new locations of Fixtures, Inventory or Equipment not specified in Sections 4(b) or 4(d) of this Agreement and if any such location is on leased or mortgaged premises, use all reasonable efforts to promptly furnish Secured Party with landlord's or mortgagee's waivers in form and substance reasonably satisfactory to Secured Party.

(j) Government Accounts. Within 10 days hereof, and from time to time promptly as they arise, Debtor shall provide written notice to Secured Party of any and all Accounts that arise out of contracts with the United States or any department, agency or instrumentality thereof, and shall execute and deliver to Secured Party an assignment of claims for such Accounts and cooperate with Secured Party in taking any other steps required, in

Secured Party's reasonable judgment, to perfect or continue the perfected status of Secured Party's security interest in such Accounts and proceeds thereof under the Assignment of Claims Act of 1940, as amended (the "Federal Assignment of Claims Act").

(k) Intellectual Property.

(i) In the event that after the date hereof Debtor shall acquire any registered Copyright, Patent or Trademark or effect any registration of any such Copyright, Patent or Trademark or file any application for registration thereof, in each case in the United States, or any other country or jurisdiction, Debtor shall, within ten days furnish written notice thereof to Secured Party together with information sufficient to permit Secured Party, upon its receipt of such notice, to (and Debtor hereby authorizes Secured Party to) modify this Agreement to add additional exhibits hereto to include any registered Copyright, Patent or Trademark that becomes part of the Collateral under this Agreement, and Debtor shall additionally, at its own expense, execute and deliver, as promptly as possible (but in any event within ten (10) days after the date of such notice, any other agreements, instruments and documents that Secured Party may reasonably request from time to time to further effect and confirm the security interest created by this Agreement in such Copyrights, Patents and Trademarks, and Debtor hereby appoints Secured Party its attorney-in-fact, upon the occurrence and the continuance of Default, to execute, deliver and record any and all such agreements, instruments and documents for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed and such power, being coupled with an interest, being irrevocable for so long as this Agreement shall be in effect with respect to Debtor. In that connection, Debtor shall also execute and deliver such powers of attorney in such forms and at such times as may be reasonably requested by Secured Party.

(ii) Debtor (either itself or through its licensees or its sublicensees) will, for each Trademark necessary for the conduct of its business and except to the extent that failures to do so, taken as a whole, would not have, and would not reasonably be expected to have, a Material Adverse Effect, use its best efforts to (a) maintain such Trademark in full force and effect, free from any claim of abandonment or invalidity for non-use, (b) maintain the quality of products and services offered under such Trademark, (c) display such Trademark with notice of federal registration to the extent required by applicable law, (d) take appropriate and reasonable steps to police and defend such Trademark and prevent or arrest infringement, dilution or other harm to such Trademark and (e) not knowingly use or knowingly permit the use of such Trademark in violation of any third-party rights.

(iii) Except to the extent that failures to do so would not have, and would not reasonably be expected to have, a Material Adverse Effect, Debtor (either itself or through its licensees or sublicensees) will refrain from committing any act, or omitting any act, whereby any Patent necessary for the conduct of Debtor's business may become invalidated in or dedicated to the public, and shall continue to mark any products covered by such Patents with the relevant patent number as required by applicable patent laws.

(iv) Except to the extent that failures to do so, would not have, and would not reasonably be expected to have, a Material Adverse Effect, Debtor (either itself or through its licensees or sublicensees) will, for each work covered by a registered Copyright

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necessary for the conduct of its business, continue to publish, reproduce, display, adopt and distribute the work with appropriate copyright notice as required under applicable copyright laws.

(v) Debtor shall notify Secured Party promptly upon any of its executive or financial officers becoming aware that any Patent, Trademark or Copyright necessary for the conduct of its business may become abandoned or dedicated to the public, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the U.S. Patent and Trademark Office, U.S. Copyright Office or any court) regarding Debtor's ownership of any Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same if such abandonments, dedications to the public or adverse determinations or developments would have, and would reasonably be expected to have, a Material Adverse Effect.

(vi) Except to the extent that the failure to do so, would not have, and would not reasonably be expected to have, a Material Adverse Effect, Debtor will take all reasonably necessary steps that are consistent with the practice in any proceeding before the U.S. Patent and Trademark Office, U.S. Copyright Office or any office or agency in any political subdivision of the United States, to maintain and pursue each application relating to any Patents, Trademarks or Copyrights (and to obtain the relevant grant or registration) and to maintain each registration of any Patents, Trademarks and Copyrights necessary for the conduct of Debtor's business, including the filing of applications for renewal, affidavits of use, affidavits of incontestability and maintenance fees, and, if consistent with sound business judgment, to initiate opposition, interference and cancellation proceedings against third parties.

(vii) Except to the extent that the failure to do so, would not have, and would not reasonably be expected to have, a Material Adverse Effect, in the event that any Collateral consisting of a Patent, Trademark or Copyright necessary for the conduct of Debtor's business is reasonably believed by Debtor to be infringed, misappropriated or diluted by a third party, Debtor shall notify Secured Party promptly after it learns thereof and shall, if consistent with sound business judgment, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as are appropriate under the circumstances to protect such Collateral.

(l) Control of Investment Property. If any investment property (whether now owned or hereafter acquired) is included in the Collateral, Debtor will, at the request of Secured Party after the occurrence and during the continuation of Default, promptly take and cause to be taken all actions reasonably required under Articles 8 and 9 of the Uniform Commercial Code and any other applicable law to enable Secured Party to acquire "control" (within the meaning of such term under Section 8-106 (or its successor provision) of the Uniform Commercial Code) of such investment property and as maybe otherwise necessary or deemed appropriate by Secured Party to perfect the security interest of Secured Party therein.

(m) Insurance of Collateral. Debtor covenants and agrees with the Secured Party that it will effect and maintain and/or cause to be effected and maintained insurance at its own expense insuring the Collateral against all risks that are normally insured against by other companies owning or in possession of similar assets or carrying on similar

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business and shall be in amounts which would in the circumstance be prudent for those companies and otherwise in accordance with first class market standards. All insurance policies shall name Secured Party as loss payee or additional insured, as applicable, and shall provide for not less than thirty (30) days advance notice in writing to Secured Party of any cancellation thereof and shall provide for notice in writing to Secured Party of any failure to pay any of the premiums on such insurance. Secured Party shall have the right (but shall be under no obligation) to pay any of the premiums on such insurance. Any premiums paid by Secured Party shall, if Secured Party so elects, be considered an advance at the highest rate of interest provided under the Loan Facilities, and all such accrued interest shall be payable on demand. Debtor expressly authorizes its insurance carriers to pay proceeds of all insurance policies covering any or all of the Collateral directly to Secured Party. In furtherance of the foregoing, Debtor hereby irrevocably makes, constitutes and appoints Secured Party, at all times during the continuance of an Event of Default, as its true and lawful agent and attorney-in-fact for the purpose of making, settling and adjusting claims under such policies of insurance, endorsing its name on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and making all determinations and decisions with respect to such policies of insurance.

(n) Perfection of Secured Party's Interests. Debtor agrees to cooperate and join, at its expense, with Secured Party in taking such steps as are necessary or desirable, in Secured Party's reasonable judgment, to perfect or continue the perfected status of the security interests granted hereunder, including, without limitation, the execution and delivery of any financing statements, amendments thereto and continuation statements, the delivery of chattel paper, documents or instruments to Secured Party, using all reasonable efforts to obtain landlords' and mortgagees' waivers reasonably required by Secured Party, the notation of encumbrances in favor of Secured Party on certificates of title, and the execution and filing of any collateral assignments and any other instruments requested by Secured Party to perfect its security interest in any and all of Debtor's Intellectual Property and other General Intangibles. Without limiting the generality of the foregoing, Secured Party is hereby authorized to file any financing statements, amendments thereto and continuation statements necessary or desirable in Secured Party's judgment to perfect or continue the perfected status of the security interests granted hereunder without any further action on the part of Debtor.

(o) Maintenance of Inventory and Equipment. Debtor shall care for and preserve the Inventory and Equipment in good condition and repair, and will pay the cost of all replacement parts, repairs to and maintenance of the Equipment. Debtor will keep complete and accurate maintenance records with respect to its Equipment.

(p) Notification of Adverse Change in Collateral. Debtor agrees immediately to notify Secured Party if (i) there is any material adverse change in Collateral or any material part thereof; or (ii) any event occurs or is discovered that would cause any material diminution in the value of any significant item or type of Collateral.

(q) Reimbursement and Indemnification. Debtor agrees to reimburse Secured Party for all reasonable out-of-pocket expenses incurred in connection with Secured Party's exercise of its rights under this Agreement. Debtor agrees to indemnify Secured Party and hold it harmless against any costs, expenses, losses, damages and liabilities (including

reasonable attorneys' fees) incurred in connection with this Agreement, other than as a direct result of Secured Party's bad faith, willful misconduct or gross negligence.

(r) Protection of Security Interest. Except for the security interest created by this Agreement, Debtor shall not create or suffer to exist any Lien upon or with respect to any of the Collateral except Permitted Liens, and Debtor shall defend the Collateral against all persons at any time claiming any interest therein. If the validity or priority of this Agreement or of any rights, titles, security interests or other interests created or evidenced hereby or thereby shall be attacked, endangered or questioned, or if any legal proceedings are instituted with respect thereto, Debtor will give prompt written notice thereof to Secured Party and at Debtor's own cost and expense will diligently endeavor to cure any defect that may be developed or claimed, and will take all necessary and appropriate steps for the defense of such legal proceedings. Secured Party (whether or not named as a party to legal proceedings with respect thereto) is hereby authorized and empowered to take such additional steps as in its reasonable judgment and discretion may be necessary or proper for the defense of any such legal proceedings or the protection of the validity or priority of this Agreement and the rights, titles, security interests and other interests created or evidenced hereby or thereby, and all expenses so incurred of every kind and character shall be a demand obligation owing by Debtor to Secured Party and shall bear interest from the date of expenditure until paid at the rate set forth in the Guarantee.

(s) Debtor's Performance. Debtor shall remain liable to perform all of its duties and obligations under any Accounts and under any leases, contracts, agreements, documents or instruments included in the Collateral to the same extent as if this Agreement had not been executed; and Secured Party shall not have or assume any obligation or liability under any of the foregoing by reason of this Agreement or otherwise.

(t) Secured Party's Agents. Secured Party may appoint any one or more persons as its agent or representative to exercise any of the rights and remedies of Secured Party hereunder, including any right existing at any time hereunder (i) to manage, take possession, operate, protect, account for, maintain, collect, enforce or otherwise deal with the Collateral and (ii) to perform any act or acts necessary or incident to the collection of Accounts or any sale or other disposition of Collateral held by Secured Party, including the sending of notices and the conduct of sales.

(u) Setoff. The Secured Party acting individually and on behalf of each Creditor (as defined in the Guarantee and as used herein "Creditor") shall, to the fullest extent permitted by applicable law, have a right of setoff in respect of any credit balance, in any currency, on any account that the Debtor has with the Secured Party or any Creditor against any sum due to the Secured Party hereunder or any Creditor under any Loan Facility.

6. Voting Rights. So long as no Default shall have occurred and be continuing, Debtor shall be entitled to exercise all voting and other consensual rights pertaining to its equity interests, and for that purpose Secured Party will execute and deliver or cause to be executed and delivered to Debtor all such proxies and other instruments as Debtor may reasonably request (in writing to enable Debtor to exercise such voting and other consensual rights; provided, however, that Debtor will not cast any vote, give any consent, waiver or ratification, or take or fail to take,

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any action, in any manner that would, or could reasonably be expected to, violate or be inconsistent with any of the terms of this Agreement, the Loan Facilities or the Guarantee.

7. Dividends and Other Distributions. So long as no Default shall have occurred and be continuing (or would occur as a result thereof), and except as provided otherwise herein, in the Loan Facilities or in the Guarantee, all interest, income, dividends, distributions and other amounts payable in cash in respect of any equity interests may be paid to and retained by Debtor; provided, however, that all such interest, income, dividends, distributions and other amounts paid or payable with respect to any equity interests included in the Collateral shall, at the request of Secured Party at any time after the occurrence and during the continuance of a Default, be paid to Secured Party and retained by it as part of the Collateral (except to the extent applied upon receipt to the repayment of the Obligations). Secured Party shall also be entitled at its request at all times (whether or not during the continuance of a Default) to receive directly, and to retain as part of the Collateral, (a) all interest, income, dividends, distributions or other amounts paid or payable in cash or other property in respect of any equity interests included in the Collateral in connection with the dissolution, liquidation, recapitalization or reclassification of the capital of the applicable issuer to the extent representing an extraordinary, liquidating or other distribution in return of capital, (b) all additional equity interests or other securities or property (other than cash) paid or payable or distributed or distributable in respect of any equity interests included in the Collateral in connection with any noncash dividend, distribution, return of capital, spin-off, stock split, splits-up, reclassification, combination of shares or interests or similar rearrangement, and (c) without affecting any restrictions against such actions contained in the Guarantee or in the Loan Facilities, all additional equity interests or other securities or property (including cash) paid or payable or distributed or distributable in respect of any equity interests included in the Collateral in connection with any consolidation, merger, exchange of securities, liquidation or other reorganization. Debtor shall give Secured Party notice of its receipt of any such interest, income, dividends, distributions or other amounts that are received by Debtor and, if requested by Secured Party, any such interest, income, dividends, distributions or other amounts so received by Debtor shall be held in trust for the benefit of Secured Party, shall be segregated from other property or funds of Debtor and shall be forthwith delivered to Secured Party as Collateral in the same form as so received (with any necessary endorsements).

8. Power of Attorney. Debtor hereby appoints Secured Party and its agents and employees, and each of them acting singly, as its lawful attorney-in-fact to do, at Secured Party's option, and at Debtor's expense and liability, all acts and things that Secured Party may deem necessary or desirable to effectuate Secured Party's rights under this Agreement, including without limitation, (a) file financing statements and otherwise perfect any security interest granted hereby, (b) correspond and negotiate directly with insurance carriers with respect to, and to give effect to, its rights as loan payee or additional insured, (c) upon the occurrence of a Default hereunder and during its continuance, receive, open and dispose of in any reasonable manner all mail addressed to Debtor and notify postal service authorities to change the address for mail addressed to Debtor to an address designated by Secured Party, and (d) upon the occurrence of Default hereunder, communicate with account debtors and other third parties for the purpose of protecting or preserving the Collateral.

9. Termination. This Agreement and the security interests created hereby shall terminate, and Secured Party shall execute and file termination statements as appropriate under

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the Uniform Commercial Code, one year after (i) the termination of the Guarantee with no further liability existing thereunder and (ii) the indefeasible payment of all amounts due under the Guarantee and this Agreement.

10. Subrogation. After Default hereunder, Secured Party may subrogate to all of Debtor's interests, rights and remedies in respect of any Account or other Collateral.

11. No Impairment of Rights by Indulgence, Modification, Etc. The security interest and other rights of Secured Party hereunder shall not be impaired by any indulgence, moratorium or release granted by Secured Party, including but not limited to: (a) any renewal, extension or modification which Secured Party may grant with respect to any obligations of Debtor under the Guarantee; (b) any surrender, compromise, release, renewal, extension, exchange or substitution which Secured Party may grant in respect of any item of the Collateral, or any part thereof or any interest therein; or (c) any release or indulgence granted to any co-maker, endorser, guarantor or surety of any secured indebtedness.

12. Default. The occurrence of any one or more of the following shall be a default ("Default") hereunder:

(a) The occurrence of any Event of Default under the Guarantee (as defined therein); and

(b) The failure of Debtor to keep, observe or perform any provisions of this Agreement, which failure is not cured and remedied within sixty (60) days after notice thereof is given to Debtor, unless such failure is incapable of cure within sixty (60) days, in which case Debtor shall immediately initiate steps that Secured Party deems in its sole discretion to be sufficient to cure the failure and Debtor thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

13. Secured Party's Rights Upon Default.

(a) Generally. If a Default shall have occurred and be continuing, Secured Party shall be entitled to exercise in respect of the Collateral all of its rights, powers and remedies provided for herein or otherwise available to it under the Guarantee, by law, in equity or otherwise, including all rights and remedies of a secured party under the Uniform Commercial Code, and shall be entitled in particular, but without limitation of the foregoing, to exercise the following rights, which Debtor agrees to be commercially reasonable:

(i) Require Debtor, at Debtor's expense, to assemble the Collateral and make it available to Secured Party at a place designated by Secured Party that is reasonably convenient to both parties;

(ii) Enter onto the property where any Collateral is located and take possession thereof with or without judicial process;

(iii) Operate, utilize, recondition or refurbish (at Secured Party's sole option and discretion and in any manner) any of the Collateral for the purpose of enhancing or preserving the value thereof.

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(iv) Exercise its right of setoff hereunder;

(v) Notify the account debtors for any of the Accounts to make payment directly to Secured Party, or to such post office box as Secured Party may direct;

(vi) Take possession of, receive, endorse, assign and deliver, in its own name or in the name of Debtor, all checks, notes, drafts and other instruments relating to any Collateral, including receiving, opening and properly disposing of all mail addressed to Debtor concerning any Collateral and to notify the appropriate postal authority to change the mailing or delivery address of such mail;

(vii) Require Debtor, at Debtor's expense to use its commercially reasonable efforts to obtain all requisite consents or approvals from the licensor of any license included within the Intellectual Property to effect the assignment of all of Debtor's right, title and interest thereunder to Secured Party or its designee;

(viii) Exercise all voting rights and other consensual rights pertaining to all equity interests or investment property constituting part of the Collateral; and

(ix) Upon twenty (20) calendar days' prior written notice to Debtor, which Debtor hereby acknowledges to be sufficient, commercially reasonable and proper, sell, lease or otherwise dispose of any or all of the Collateral at any time and from time to time at public or private sale, with or without advertisement thereof and apply the proceeds of any such sale first to Secured Party's expenses in preparing the Collateral for sale (including reasonable attorneys' fees) and second to the complete satisfaction of the Obligations. Debtor waives the benefit of any marshalling doctrine with respect to Secured Party's exercise of its rights hereunder. Secured Party may be the purchaser of any or all of the Collateral at any public or private sale in accordance with the Uniform Commercial Code. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of Debtor and Debtor hereby waives (to the extent permitted by applicable law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereinafter enacted. No demand, presentment, protest, advertisement or notice of any kind (except any notice required by law, as referred to below), all of which are hereby expressly waived by Debtor, shall be required in connection with any sale or other disposition of any part of the Collateral. If any notice of a proposed sale or other disposition of any part of the Collateral shall be required under applicable law, Secured Party shall give Debtor at least fifteen (15) days prior notice of the time and place of any public sale and of the time after which any private sale or other disposition is to be made, which notice Debtor agrees is commercially reasonable. Secured Party shall not be obligated to make any sale of Collateral if it shall determine not to do so, regardless of the fact that notice of sale may have been given. Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. Upon each public sale and, to the extent permitted by applicable law, upon each private sale, Secured Party may purchase all or any of the Collateral being sold, free from any equity, right of redemption or other claim or demand, and may make payment therefor by endorsement and application (without recourse) of the Guaranteed Obligations under the

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Guaranty and the Obligations under this Agreement in lieu of cash as a credit on account of the purchase price for such Collateral. Secured Party may sell or otherwise dispose of the Collateral without giving any warranties, specifically disclaiming any warranties of title or the like and Debtor agrees that such disclaimer is commercially reasonable. If Secured Party sells any of the Collateral on credit, Secured Party shall not be liable for the failure of the purchaser to purchase or pay for the same and, in the event of any such failure, Secured Party may resell such Collateral.

(b) Grant of License. Debtor grants an irrevocable, royalty-free license to Secured Party to use, license or sublicense any Copyrights, Patents, Trademarks or Trade Secrets, in each case comprising a part of the Collateral, for such term or terms, on such conditions and in such manner as Secured Party shall determine. Notwithstanding the foregoing, the use of such license or sublicense by Secured Party shall be exercised, at the option of Secured Party, and only upon the occurrence and during the continuation of a Default; provided, that any license or sublicense or other transaction entered into by Secured Party in accordance herewith shall be binding upon Debtor notwithstanding any subsequent cure of the Default.

(c) Accounts. Upon the occurrence of a Default hereunder, at Secured Party's request, Debtor shall enter into a lock box agreement with a local bank designated by Secured Party and shall notify its account debtors to remit payments on the Accounts to one or more post office boxes maintained by such bank on behalf of Secured Party in accordance with such agreement. Such instructions to account debtors shall not be revoked or modified without Secured Party's prior written consent.

(d) Application of Proceeds. Except as expressly provided elsewhere in this Agreement, all proceeds received by Secured Party in respect of any sale, any collection from or other realization upon all or any part of the Collateral shall be applied in full or in part by Secured Party against the Guaranteed Obligations in the following order of priority: first, to the payment of all costs and expenses of such sale, collection or other realization, including reasonable compensation to Secured Party and its agents and counsel, and all other expenses, liabilities and advances made or incurred by Secured Party in connection therewith, and all amounts for which Secured Party is entitled to indemnification hereunder and all advances made by Secured Party hereunder for the account of Debtor, and to the payment of all costs and expenses paid or incurred by Secured Party in connection with the exercise of any right or remedy hereunder or under the Guarantee, all in accordance with the terms hereof or thereof; second, to the extent of any excess of such proceeds, to the payment of all other Guaranteed Obligations hereunder and third, to the extent of any excess of such proceeds, to the payment to or upon the order of Debtor or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

(e) Duty of Care. Secured Party shall have no duty of care with respect to the Collateral except that Secured Party shall exercise reasonable care with respect to Collateral in Secured Party's custody. Secured Party shall be deemed to have exercised reasonable care if such property is accorded treatment substantially equal to that which Secured party accords its own property, to the extent applicable, or if Secured Party takes such action with respect to the Collateral as Debtor shall request or agree to in writing, provided that no failure to comply with any such request nor any omission to do any such act requested by Debtor

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shall be deemed a failure to exercise reasonable care. Secured Party shall have no obligation to take steps to preserve rights against any parties or property and no failure to do so shall be deemed to be a failure to exercise reasonable care with respect to Collateral in the Secured Party's custody. All risk of loss, damage or destruction of or to the Collateral shall be borne by Debtor provided that Secured Party has exercised reasonable care in accordance with the terms of this clause.

14. Notices. Any written notices required or permitted by this Agreement shall be effective if delivered in person or if sent by first class mail, or if sent by reliable overnight commercial courier (charges prepaid), to:

If to Debtor:

Dynal Biotech, Inc.
5 Delaware Drive
Lake Success, NY 11042
Attn: Bruce Powers

With a copy to:

Dynal Biotech ASA
Ullernchausseen 52
P.O. Box 114 Smestad
N-0309 Oslo, Norway
Attn: Vigdis Heggell

If to Secured Party:

Union Bank of Norway
Kirkegaten 18, P.O. Box 1172
Sentrum, N-0107
Oslo, Norway
Attn: The Trade Finance Loan/Guarantee
Fax: 011 47 2231 9022

15. Miscellaneous

(a) No Waiver. No delay or omission by Secured Party in exercising any right or remedy hereunder shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any further exercise thereof or the exercise of any other right or remedy.

(b) Preservation of Rights. Secured Party shall have no obligation or responsibility to take any steps to enforce or preserve rights against any parties to any Account and such obligation and responsibility shall be those of Debtor exclusively.

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(c) Assignment Successors. Secured Party may assign or transfer this Security Agreement and its rights in the Collateral to any person or entity to whom the rights and obligations of the Creditors (as defined in the Guarantee) under the Facilities are wholly or partially assigned or transferred in accordance with the provisions thereunder. Debtor's obligations hereunder may not be assigned without the prior written consent of Secured Party. Subject to the foregoing, the provisions of this Agreement shall inure to the benefit of and be binding upon Secured Party and Debtor and their respective successors and assigns.

(d) Entire Agreement. This Agreement, the Exhibits hereto, together with the agreements, certificates and other documents referred to herein constitute an entire agreement and set forth the entire understanding of the parties with respect to the subject matter hereof, supersede all prior agreements, covenants, arrangements, letters, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party, and, except to the extent otherwise expressly provided herein, may not be modified, amended or terminated by mutual consent except by a written agreement specifically referring to this Agreement signed by the parties hereto and any other party to be charged.

(e) Governing Law; Consent to Jurisdiction. THIS AGREEMENT SHALL BE CONSTRUED UNDER THE LAW OF THE STATE OF DELAWARE WITHOUT REFERENCE TO ANY CONFLICT OF LAWS PRINCIPLES THAT WOULD PROVIDE FOR THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION, EXCEPT TO THE EXTENT THAT THE UNIFORM COMMERCIAL CODE PROVIDES THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST GRANTED HEREUNDER, OR THE REMEDIES PROVIDED HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF DELAWARE. EACH PARTY HERETO HEREBY IRREVOCABLY CONSENTS, FOR HIMSELF AND HIS LEGAL REPRESENTATIVES, PARTNERS, SUCCESSORS AND ASSIGNS, TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF DELAWARE AND THE OSLO CITY COURT FOR ALL PURPOSES IN CONNECTION WITH ANY ACTION OR PROCEEDING WHICH ARISES FROM OR RELATES TO THIS AGREEMENT, AND HEREBY WAIVES ANY RIGHTS HE MAY HAVE TO PERSONAL SERVICE OF SUMMONS, COMPLAINT, OR OTHER PROCESS IN CONNECTION THEREWITH, AND AGREES THAT SERVICE MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH PARTY AND SENT IN ACCORDANCE WITH THE PROVISIONS OF SECTION 15 HEREOF.

(f) Severability. If any provision of this Agreement shall be held invalid or unenforceable under applicable law in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of such provision in any other jurisdiction or the validity or enforceability of any other provision of this Agreement that can be given effect without such invalid or unenforceable provision.

(g) Judicial Proceedings. EACH PARTY TO THIS AGREEMENT AGREES THAT ANY SUIT, ACTION OR PROCEEDING, WHETHER CLAIM OR COUNTERCLAIM, BROUGHT OR INSTITUTED BY ANY PARTY HERETO OR ANY SUCCESSOR OR ASSIGN OF ANY PARTY, ON OR WITH RESPECT TO THIS AGREEMENT OR THE DEALINGS OF THE PARTIES WITH RESPECT HERETO, SHALL

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BE TRIED ONLY BY A COURT AND NOT BY A JURY. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. FURTHER, EACH PARTY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. DEBTOR ACKNOWLEDGES AND AGREES THAT THIS SECTION IS A SPECIFIC AND MATERIAL ASPECT OF THIS AGREEMENT AND THAT SECURED PARTY WOULD NOT EXTEND CREDIT TO DEBTOR IF THE WAIVERS SET FORTH IN THIS SECTION WERE NOT A PART OF THIS AGREEMENT.

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

DYNAL BIOTECH, INC.

By: *Mina Falkenberg*
Name: *Mina Falkenberg*
Title: *Designated Agent*

UNION BANK OF NORWAY

By: *Espen O. Arnesen*
Name: *Espen O. Arnesen*
Title: *Deputy General Manager*

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EXHIBIT A

Intellectual Property

Mark	Country	Application No.	Registration No.
"D-Dynal" (logo)	Canada	63935	390,114
"Dynabeads"	Canada	568,823	337,420
"Dynabeads"	United States	624,693	1,525,023
"Dynal MPC"	Canada	605,338	351,308

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EXHIBIT B

Commercial Tort Claims

None

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EXHIBIT C

**Identification of Intellectual Property, Material Licenses,
Contracts and Agreements Subject to Section 2(b)**

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EXHIBIT D

Permitted Liens

None *MF*

EXHIBIT E

Location of Books and Records:

5 Delaware Drive
Lake Success, NY 11042

Location of Chief Executive Office:

5 Delaware Drive
Lake Success, NY 11042

Location of Equipment:

5 Delaware Drive
Lake Success, NY 11042

Location of Inventory:

5 Delaware Drive
Lake Success, NY 11042

Location of Fixtures:

5 Delaware Drive
Lake Success, NY 11042

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