

TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
QBC Diagnostics, Inc.		09/29/2005	CORPORATION: PENNSYLVANIA

RECEIVING PARTY DATA

Name:	Manufacturers and Traders Trust Company
Also Known As:	AKA M&T Bank
Street Address:	One M&T Plaza
City:	Buffalo
State/Country:	NEW YORK
Postal Code:	14240
Entity Type:	banking corporation: NEW YORK

PROPERTY NUMBERS Total: 2

Property Type	Number	Word Mark
Registration Number:	1291970	QBC
Registration Number:	1274977	QBC

CORRESPONDENCE DATA

Fax Number: (412)209-0672

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: (412) 297-4900

Email: iptrademark@cohenlaw.com

Correspondent Name: Thomas C. Wettach, Cohen & Grigsby PC

Address Line 1: 11 Stanwix Street

Address Line 2: 15th Floor

Address Line 4: Pittsburgh, PENNSYLVANIA 15222

ATTORNEY DOCKET NUMBER:

7351.0042

NAME OF SUBMITTER:

Thomas C. Wettach

900033517

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REEL: 003171 FRAME: 0781

CH \$65.00 1291970

Signature:

/Thomas C. Wettach/

Date:

10/07/2005

Total Attachments: 10

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT ("Agreement"), dated as of September 29, 2005, is entered into between QBC DIAGNOSTICS, INC., a Pennsylvania corporation ("Debtor") and MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation ("Lender"), in light of the following:

Contemporaneously with this Agreement, Lender is entering into that certain Credit Agreement with Debtor (the "Credit Agreement") and other instruments, documents and agreements contemplated thereby or related thereto (collectively with the Credit Agreement, the "Loan Documents"); and

Debtor is the owner of certain intellectual property, identified below, in which Debtor is granting a security interest to Lender.

NOW THEREFORE, in consideration of the mutual promises, covenants, conditions, representations, and warranties hereinafter set forth and for other good and valuable consideration, the parties hereto mutually agree as follows:

I DEFINITIONS AND CONSTRUCTION.

1.1 Definitions. Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement unless otherwise stated. In addition, the following terms, as used in this Agreement, have the following meanings:

"Code" means the Pennsylvania Uniform Commercial Code, as amended and supplemented from time to time, and any successor statute.

"Collateral" means:

Each of the trademarks and rights and interests which are capable of being protected as trademarks (including all of Debtor's right to the trademark registrations listed on Schedule A, attached hereto, as the same may be updated hereafter from time to time and all other trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles, and other source or business identifiers, and applications pertaining thereto), which are presently, or in the future may be, owned, created, acquired, or used (whether pursuant to a license or otherwise) by Debtor, in whole or in part, and all trademark rights with respect thereto throughout the world, including all goodwill associated therewith and all proceeds thereof (including license royalties and proceeds of infringement suits), and rights to renew and extend such trademarks and trademark rights;

Each of the patents and patent applications which are presently, or in the future may be, owned, issued, acquired, or used (whether pursuant to a license or otherwise including

but not limited to all of Debtors rights under and pursuant to that certain License Agreement among Debtor, Stephen C. Wardlaw, Wardlaw Partners, LP and Robert A. Levine) by Debtor (including but not limited to all of Debtor's right, title, and interest, in and to the patents and patent applications listed on Schedule B, attached hereto, as the same may be updated hereafter from time to time), in whole or in part, and all patent rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), foreign filing rights, and rights to extend such patents and patent rights;

All of Debtor's right, title and interest to register trademark claims under any state or federal trademark law or regulation of any foreign country and to apply for, renew, and extend the trademark registrations and trademark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of Debtor or in the name of Lender for past, present, and future infringements of the trademarks, registrations, or trademark rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

All of Debtor's right, title, and interest in all patentable inventions, and to file applications for patent under federal patent law or regulation of any foreign country, and to request reexamination and/or reissue of the patents, the right (without obligation) to sue or bring interference proceedings in the name of Debtor or in the name of Lender for past, present, and future infringements of the patents, and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

All general intangibles relating to the foregoing; and

All proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to the Collateral.

"Obligations" means the Obligations as defined in that certain Security Agreement between Debtor and Lender of even date and the obligations of Debtor hereunder.

1.2 Construction. Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, and the term "including" is not limiting. The words "hereof," "herein," "hereby," "hereunder," and other similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement. Any initially capitalized terms used but not defined herein shall have the meaning set forth in the Credit Agreement unless otherwise stated. Any reference herein to any of the Loan Documents includes any and all alterations, amendments, extensions, modifications, renewals, or supplements thereto or thereof, as applicable. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Lender, on the one hand, or Debtor, on the other hand, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by Debtor, Lender, and their respective counsel, and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of Lender and Debtor.

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II. GRANT OF SECURITY INTEREST.

Debtor hereby grants to Lender a first-priority security interest in all of Debtor's right, title, and interest in and to the Collateral to secure the Obligations.

III. REPRESENTATIONS, WARRANTIES AND COVENANTS.

Debtor hereby represents, warrants, and covenants that:

3.1 Trademarks; Service Marks; Patents.

(a) A true and complete schedule setting forth all federal and state trademark and service mark registrations owned or controlled by Debtor or licensed to Debtor, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Schedule A;

(b) A true and complete schedule setting forth all patent and patent applications owned or controlled by Debtor or licensed to Debtor, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Schedule B;

3.2 Validity; Enforceability. Each of the patents, service marks and trademarks is valid and enforceable, and Debtor is not presently aware of any past, present, or prospective claim by any third party that any of the patents, service marks or trademarks are invalid or unenforceable, or that the use of any patents, service marks or trademarks violates the rights of any third person, or of any basis for any such claims;

3.3 Title. Debtor is the sole and exclusive owner of the entire and unencumbered right, title, and interest in and to each of the patents, patent applications, service marks, service mark registrations, trademarks, and trademark registrations, free and clear of any liens, charges, and encumbrances, including pledges and assignments, or has the rights to use the same under a valid license, other than Permitted Liens;

3.4 Notice. Debtor has used and will continue to use proper statutory notice in connection with its use of each of the patents, service marks and trademarks;

3.5 Quality. Debtor has used and will continue to use consistent standards of quality (consistent with Debtor's past practices) in the manufacture, sale, and delivery of products and services sold or delivered under or in connection with the service marks and trademarks, including, to the extent applicable, in the operation and maintenance of its merchandising operations, and will continue to maintain the validity of the service marks and trademarks to the extent that the failure to so maintain the validity of such service marks and trademarks could reasonably be expected to result in a Material Adverse Change;

3.6 Perfection of Security Interest. Except for the filing of a financing statement with the Secretary of State of Pennsylvania necessary to perfect the security interests created

hereunder, no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by Debtor of the security interest hereunder or for the execution, delivery, or performance of this Agreement by Debtor or for the perfection of or the exercise by Lender of its rights hereunder to the Collateral in the United States.

IV. AFTER-ACQUIRED PATENT, SERVICE MARK OR TRADEMARK RIGHTS.

If Debtor shall obtain rights to any new service marks, trademarks, any new patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, division, or continuation, of any patent, the provisions of this Agreement shall automatically apply thereto. Debtor shall give prompt notice in writing to Lender with respect to any such new service marks, trademarks or patents, or renewal or extension of any service mark or trademark registration. Debtor shall bear any expenses incurred in connection with future patent applications or service mark or trademark registrations.

V. LITIGATION AND PROCEEDINGS.

Debtor shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit, and its own expense, such suits, administrative proceedings, or other action for infringement or other damages as are in its reasonable business judgment necessary to protect the Collateral. Debtor shall provide to Lender any information with respect thereto requested by Lender. Lender shall provide at Debtor's expense all necessary cooperation in connection with any such suits, proceedings, or action, including, without limitation, joining as a necessary party. Following Debtor's becoming aware thereof, Debtor shall notify Lender of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office, or any United States, state, or foreign court regarding Debtor's claim of ownership in any of the patents, service marks or trademarks, its right to apply for the same, or its right to keep and maintain such patent, service mark or trademark rights.

VI. POWER OF ATTORNEY.

To the extent it does not adversely affect the validity of the Collateral, Debtor grants Lender power of attorney, coupled with an interest, having the full authority, and in the place of Debtor and in the name of Debtor, from time to time during the occurrence and continuance of an Event of Default in Lender's discretion, to take any action and to execute any instrument which Lender may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, as may be subject to the provisions of this Agreement: to endorse Debtor's name on all applications, documents, papers, and instruments necessary for Lender to use or maintain the Collateral; to ask, demand, collect, sue for, recover, impound, receive, and give acquittance and receipts for money due or to become due under or in respect of any of the Collateral; to file any claims or take any action or institute any proceedings that Lender may deem necessary for the collection of any of the Collateral or otherwise to enforce its rights with respect to any of the Collateral and to assign, pledge, convey, or otherwise transfer title in or dispose of the Collateral to any person.

VII EVENTS OF DEFAULT.

An Event of Default (as defined in the Credit Agreement) shall be an Event of Default under this Agreement.

VIII SPECIFIC REMEDIES.

Upon the occurrence and continuation of any Event of Default, Lender shall have, in addition to, other rights given by law or in this Agreement, the Credit Agreement, or in any other Loan Document, all of the rights and remedies with respect to the Collateral of a secured party under the Code, including the following:

8.1 Notification. Lender may notify licensees to make royalty payments on license agreements directly to Lender.

8.2 Sale. Lender may sell or assign the Collateral and associated goodwill at public or private sale for such amounts, and at such time or times as Lender deems advisable. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to Debtor ten days prior to such disposition. Debtor shall be credited with the net proceeds of such sale only when they are actually received by Lender, and Debtor shall continue to be liable for any deficiency remaining after the Collateral is sold or collected. If the sale is to be a public sale, Lender shall also give notice of the time and place by publishing a notice one time at least ten days before the date of the sale in a newspaper of general circulation in the county in which the sale is to be held. To the maximum extent permitted by applicable law, Lender may be the purchaser of any or all of the Collateral and associated goodwill at any public sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any public sale, to use and apply all or any part of the Obligations as a credit on account of the purchase price of any collateral payable by Lender at such sale.

IX. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.

THE VALIDITY OF THIS AGREEMENT, ITS CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT, AND THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAWS PRINCIPLES. THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE COMMONWEALTH OF PENNSYLVANIA IN A COUNTY OR JUDICIAL DISTRICT WHERE THE LENDER MAINTAINS A BRANCH; PROVIDED, HOWEVER, THAT NOTHING IN THIS AGREEMENT OR THE LOAN DOCUMENTS SHALL BE DEEMED OR OPERATE TO PRECLUDE LENDER FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO PROTECT OR REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE OBLIGATIONS

OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER. EACH OF DEBTOR AND LENDER WAIVES, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 10. DEBTOR AND LENDER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. DEBTOR AND LENDER REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

X. GENERAL PROVISIONS.

10.1 Effectiveness. This Agreement shall be binding and deemed effective when executed by Debtor and Lender.

10.2 Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided, however, that Debtor may not assign this Agreement or any rights or duties hereunder without Lender's prior written consent and any prohibited assignment shall be absolutely void. Lender may assign this Agreement and its rights and duties hereunder and no consent or approval by Debtor is required in connection with any such assignment.

10.3 Section Headings. Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each section applies equally to this entire Agreement.

10.4 Interpretation. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Lender or Debtor, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto.

10.5 Severability of Provisions. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

10.6 Amendments in Writing. This Agreement can only be amended by a writing signed by both Lender and Debtor.

10.7 Counterparts: Telefacsimile Execution. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of a manually executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile also shall deliver a manually executed counterpart of this Agreement but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

10.8 Fees and Expenses. Debtor shall pay to Lender on demand all costs and expenses that Lender pays or incurs in connection with the negotiation, preparation, consummation, administration, enforcement, and termination of this Agreement, including: (a) reasonable attorneys' and paralegals' fees and disbursements of counsel to Lender; (b) reasonable costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) for any amendment, supplement, waiver, consent, or subsequent closing in connection with this Agreement and the transactions contemplated hereby; (c) costs and expenses of lien and title searches; (d) taxes, fees, and other charges for filing this Agreement at the United States Patent and Trademark Office, or for filing financing statements, and continuations, and other actions to perfect, protect, and continue the security interest created hereunder; (e) sums paid or incurred to pay any amount or take any action required of Debtor under this Agreement that Debtor fails to pay or take; (f) costs and expenses of preserving and protecting the Collateral; and (g) reasonable costs and expenses (including reasonable attorneys' fees, witness fees and paralegals' fees and disbursements) paid or incurred to enforce the security interest created hereunder, sell or otherwise realize upon the Collateral, and otherwise enforce the provisions of this Agreement, or to defend any claims made or threatened against Lender arising out of the transactions contemplated hereby (including preparations for the consultations concerning any such matters). The foregoing shall not be construed to limit any other provisions of this Agreement or the Loan Documents regarding costs and expenses to be paid by Debtor.

10.9 Notices. Except as otherwise provided herein, all notices, demands, and requests that either party is required or elects to give to the other shall be in writing and shall be governed by the provisions of Section 10 of the Loan Agreement.

10.10 Termination By Lender. Lender shall release its security interest in the Collateral at such time as the non-contingent Obligations have been fully, finally and nondefeasibly discharged, have been terminated, backed up, or collateralized, and Lender's obligation to provide additional credit under the Credit Agreement has been terminated. In the event that, for any reason, any portion of such payments to Lender are set aside or restored, whether voluntarily or involuntarily, after the making thereof, then the obligation intended to be satisfied thereby shall be revived and continued in full force and effect as if said payment or payments had not been made.

10.11 Integration. This Agreement, together with the other Loan Documents, reflect the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

10.12 Resolution of Conflicts. In the event that any express provision or term of this Agreement conflicts with the express provisions and terms of the Credit Agreement, the provision or term in the Credit Agreement shall control.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

MANUFACTURERS AND TRADERS TRUST COMPANY

By: [Signature]

Title: VICE PRESIDENT

QBC DIAGNOSTICS, INC.

By: [Signature]

Title: President

QBC	TMK 19961747/ Taiwan	Registered 9, 74	435,262 16-Mar-1989
<i>Application</i>	7,726,033		
<i>File Date:</i>	07-Jun-1988		
QBC	TMK 19962122/ Taiwan	Registered 1	425,974 16-Jan-1989
<i>Application</i>	7,726,034		
<i>File Date:</i>	07-Jun-1988		
QBC	TMK 19963395/ United States of America	Registered 9	1,291,970 28-Aug-1984
<i>Application</i>	418,289		
<i>File Date:</i>	22-Mar-1983		
QBC	TMK 19961095/ Venezuela	Registered 9	104,036 11-Jan-1983
<i>Application</i>	1852/80		
<i>File Date:</i>	28-Mar-1980		
QBC WITH DESIGN	TMK 19965088/ Australia	Registered 10 Int.	649174 15-Feb-1991
QBC WITH DESIGN	TMK 19965089/ Australia	Registered 09 Int.	649175 15-Feb-1991
QBC WITH DESIGN	TMK 19962055/ Austria	Registered 09 Int., 10 Int.	121602 23-Sep-1988
QBC WITH DESIGN	TMK 19990073/ China	Registered 09 Int.	866161 28-Aug-1996
QBC WITH DESIGN	TMK 19961655/ Denmark	Registered 09 Int.	VR199107911 08-Nov-1991
QBC WITH DESIGN	TMK 19986082/ European Community	Registered 09 Int., 10 Int.	881326 05-Nov-1999
QBC WITH DESIGN	TMK 19962168/ Hong Kong	Registered 09 Int.	B06785/94 05-Feb-1991
QBC WITH DESIGN	TMK 19962130/ Ireland	Registered 09 Int.	132068 26-Aug-1988
QBC WITH DESIGN	TMK 19964227/ Japan	Registered 10 Int.	3087440 31-Oct-1995
QBC WITH DESIGN	TMK 19962245/ New Zealand	Registered 09 Int.	B188,536 07-May-1992

QBC WITH DESIGN	TMK 19962138/ Switzerland	Registered 10 Int.	366501 08-Sep-1988
QBC WITH DESIGN	TMK 19961826/ Thailand	Registered 09 Int.	78033 24-Aug-1989
QBC WITH DESIGN	TMK 19962150/ Thailand	Registered 10 Int.	78110 05-Sep-1989
QBC WITH DESIGN	TMK 19962524/ United Kingdom	Registered 09 Int.	B1400378 18-Oct-1989
QBC WITH DESIGN	TMK 19963394/ United States of America	Registered 09 Int.	1274977 24-Apr-1984
QBC AUTOREAD WITH DESIGN	TMK 19962909/ Switzerland	Registered 09 Int.	395071 15-Sep-1992
QBC AUTOREAD WITH DESIGN	TMK 19962910/ United Kingdom	Registered 09 Int.	B1468496 24-Jun-1991
QBC Star	United States of America	Unregistered	
E-Z Prep	United States of America	Unregistered	
Paralens	United States of America	Unregistered	
Vet Autoread	United States of America	Unregistered	