

PATENT, TRADEMARK AND LICENSE SECURITY AGREEMENT

THIS PATENT, TRADEMARK AND LICENSE SECURITY AGREEMENT (this "Agreement") is made and entered into as of the 29th day of June, 2006 by ST. JON LABORATORIES, INC., a California corporation ("Debtor"), in favor of FIRST BANK ("Agent"), as agent for itself and other Lenders from time to time a party to the Loan Agreement (hereinafter defined).

WITNESSETH:

WHEREAS, Debtor, PM Resources, Inc., Virbac AH, Inc., Francodex Laboratories, Inc., Virbac Corporation, Delmarva Laboratories, Inc. (collectively, the "Borrowers"), Agent and the Lenders are entering into an amended and restated Loan Agreement dated as of the date hereof (as amended from time to time, the "Loan Agreement," all capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Loan Agreement); and

WHEREAS, as a condition precedent to Agent and the Lenders entering into the Loan Agreement, Agent and the Lenders have required that Debtor execute and deliver this Agreement to Agent for the ratable benefit of the Lenders; and

WHEREAS, in order to induce Agent and the Lenders to enter into the Loan Agreement, Debtor has agreed to execute and deliver this Agreement to Agent for the ratable benefit of the Lenders; and

WHEREAS, this Agreement is being executed in connection with and in addition to the Security Agreement dated as of the date hereof, and executed by Debtor in favor of Agent pursuant to which Debtor has granted to Agent for the ratable benefit of the Lenders a security interest in and lien on, among other things, all accounts, inventory, general intangibles, goods, machinery, equipment, books, records, goodwill, patents, patent applications, trademarks and trademark applications now owned or hereafter acquired by Debtor and all proceeds thereof;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby covenants and agrees with Agent and the Lenders as follows:

1. Grant of Security Interest. For value received, Debtor hereby grants Agent for the ratable benefit of the Lenders a security interest in and lien on all of Debtor's right, title and interest in, to and under the following described property, whether now owned and existing or hereafter created, acquired or arising (collectively, the "Collateral"):

(a) all patents and patent applications, and the inventions and improvements described and claimed therein, including, without limitation, each patent and patent application listed on Schedules A and B, respectively, attached hereto and incorporated herein by reference (as the same may be amended pursuant hereto from time to time) and (i) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (ii) all income, damages and payments now and/or hereafter due or payable under or with respect thereto, including, without limitation, license royalties, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof and (iv) all rights corresponding thereto throughout the world (all of the foregoing patents and patent applications together with the items described in clauses (i) through (iv) of this subsection (a) are hereinafter collectively referred to herein as the "Patents");

(b) all trademarks, service marks, trademark or service mark registrations, trade names, trade styles, trademark or service mark applications and brand names, including, without limitation, common law rights and each mark and application listed on Schedules C and D, respectively, attached hereto and incorporated herein by reference; and (i) renewals or extensions thereof, (ii) all income, damages and payments now and/or hereafter due or payable with respect thereto, including, without limitation, license royalties, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof and (iv) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trade names, service marks and applications and registrations thereof together with the items described in clauses (i) through (iv) of this subsection (b) are hereinafter collectively referred to herein as the "Trademarks");

(c) the license(s) listed on Schedule E attached hereto and incorporated herein by reference and all other license agreements (to the extent such license agreements may be assigned without violating the terms of any such license agreement) with respect to any of the Patents or the Trademarks or any other patent, trademark, service mark or any application or registration thereof or any other trade name or trade style between Debtor and any other Person, whether Debtor is licensor or licensee (all of the foregoing license agreements and Debtor's rights thereunder are hereinafter collectively referred to as the "Licenses");

(d) the goodwill of Debtor's business connected with and symbolized by the Trademarks; and

(e) all proceeds, including, without limitation, proceeds which constitute property of the types described in (a), (b), (c) and (d) above and any rents and profits of any of the foregoing items, whether cash or noncash, immediate or remote, and insurance proceeds, and all products of (a), (b), (c) and (d) above, and any indemnities, warranties and guaranties payable by reason of loss or damage to or otherwise with respect to any of the foregoing items;

to secure the payment of (i) any and all of the present and future Borrowers' Obligations, (ii) any and all present and future indebtedness (principal, interest, fees, collection costs and expenses and other amounts), liabilities and obligations (including, without limitation, guaranty obligations and indemnity obligations) of Debtor under this Agreement, (iii) any and all other indebtedness (principal, interest, fees, collection costs and expenses and other amounts), liabilities and obligations (including, without limitation, guaranty obligations, letter of credit reimbursement obligations and indemnity obligations) of Borrowers to Agent and/or any of the Lenders of every kind and character, now existing or hereafter arising, absolute or contingent, joint or several or joint and several, otherwise secured or unsecured, due or not due, direct or indirect, expressed or implied in law, contractual or tortious, liquidated or unliquidated, at law or in equity, or otherwise, and whether heretofore, now or hereafter incurred or given by Borrowers as principal, surety, endorser, guarantor or otherwise, and whether created directly or acquired by Agent or any such Lender by assignment or otherwise and (iv) any and all costs of collection, legal expenses and attorneys' fees and expenses incurred by Agent or any of the Lenders upon the occurrence of any default or event of default under this Agreement, in collecting or enforcing payment of any such indebtedness, liabilities or obligations or in preserving, protecting or realizing on the Collateral hereunder or in representing Agent and/or any of the Lenders in connection with bankruptcy or insolvency proceedings (hereinafter collectively referred to as the "Secured Obligations").

2. Representations, Warranties and Covenants of Debtor. Debtor hereby represents and warrants to Agent and the Lenders, and covenants and agrees with Agent and the Lenders, that:

(a) all of the Patents, Trademarks and Licenses are subsisting and have not been adjudged invalid or unenforceable, in whole or in part, and are not at this time the subject of any challenge to their validity or enforceability;

(b) to the best of Debtor's knowledge, each of the Patents, Trademarks and Licenses is valid and enforceable;

(c) (i) no claim has been made that the use of any of the Patents, Trademarks or Licenses does or may violate the rights of any third person, (ii) no claims for patent infringement have been commenced in connection with any of the Patents and (iii) no claims for trademark infringement have been commenced in connection with any of the Trademarks;

(d) Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, Trademarks and Licenses, free and clear of any and all liens, charges and encumbrances, including, without limitation, any and all pledges, assignments, licenses, registered user agreements, shop rights and covenants by Debtor not to sue third persons;

(e) Debtor has the unqualified right, power and authority to enter into this Agreement and perform its terms;

(f) Debtor has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the registered Patents and Trademarks;

(g) Debtor has the exclusive, royalty-free right and license to use the Patents, Trademarks and Licenses and agrees not to transfer any rights or interest in any of the Patents, Trademarks and/or Licenses during the term of this Agreement; and

(h) Debtor has no notice of any suits or actions commenced or threatened with reference to any of the Patents, Trademarks and/or Licenses.

3. Inspection Rights: Product Quality. Debtor will permit inspection of Debtor's facilities which manufacture, inspect or store products sold under any of the Patents, Trademarks and/or Licenses and inspection of the products and records relating thereto by Agent or any of the Lenders during normal business hours and at other reasonable times. Debtor will reimburse Agent and the Lenders upon demand for all costs and expenses incurred by Agent or any of the Lenders in connection with any such inspection conducted by Agent or any of the Lenders while any Default or Event of Default under the Loan Agreement has occurred and is continuing. A representative of Debtor may be present during any such inspection, provided that a particular representative's availability or unavailability shall not inhibit or delay such inspection. Debtor agrees (a) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with commercially reasonable practices and (b) to provide Agent and the Lenders, upon Agent's or any Lender's reasonable request from time to time, with a certificate of any officer of Debtor certifying Debtor's compliance with the forgoing.

4. Further Assurances. Debtor hereby agrees that, until (a) all of the Secured Obligations shall have been paid in full, (b) no Letters of Credit shall remain outstanding, (c) Agent and the Lenders have no further commitment or obligation to make any loans or advances or other extensions of credit to Borrowers under the Loan Agreement or otherwise and (d) the Loan Agreement has expired or been terminated in accordance with its terms, it will not, without the prior written consent of Required Lenders, enter into any agreement (for example, a license or sublicense agreement) which is inconsistent with Debtor's obligations under this Agreement or the Loan Agreement, and Debtor agrees that it will not take

any action or permit any action to be taken by others subject to its control, including licensees, or fail to take any action which would affect the validity or enforcement of the rights transferred to Agent for the ratable benefit of the Lenders under this Agreement. Debtor further agrees that at any time and from time to time, at the expense of Debtor, Debtor will promptly execute and deliver to Agent for the ratable benefit of the Lenders any and all further instruments and documents and take any and all further action that Agent or the Required Lenders may request in good faith in order to perfect and protect the security interest granted hereby with respect to the Patents, Trademarks and Licenses or to enable Agent to exercise its rights and remedies under this Agreement with respect to the same.

5. Additional Patents, Trademarks and Licenses. If Debtor (a) becomes aware of any existing Patents, Trademarks or Licenses of which Debtor has not previously informed Agent and the Lenders, (b) obtains rights to any new patentable inventions, Patents, Trademarks and/or Licenses or (c) becomes entitled to the benefit of any Patents, Trademarks and/or Licenses which benefit is not in existence on the date of this Agreement, the provisions of this Agreement shall automatically apply thereto and Debtor shall give Agent prompt written notice thereof.

6. Modification by Lender. Debtor authorizes Agent and the Required Lenders to modify this Agreement by amending Schedules A, B, C, D and/or E to include any future patents and patent applications, any future trademarks, service marks, trademark or service mark registrations, trade names, and trademark or service applications, and any future licenses, covered by Paragraphs 1 and 5 hereof, without the signature of Debtor if permitted by applicable law.

7. Use of Patents, Trademarks and Licenses. So long as no Event of Default under the Loan Agreement has occurred and is continuing, Debtor may use the Patents and Trademarks and exercise its rights under the Licenses in any lawful manner not inconsistent with this Agreement on and in connection with products sold by Debtor, for Debtor's own benefit and account and for none other.

8. Default. If any Event of Default under the Loan Agreement shall have occurred and be continuing, Agent shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which any of the Patents, Trademarks and/or Licenses may be located and, without limiting the generality of the foregoing, Agent may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Debtor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, all or from time to time any of the Patents, Trademarks (together with the goodwill of Debtor associated therewith) and/or Licenses, or any interest which Debtor may have therein, and after deducting from the proceeds of sale or other disposition of the Patents, Trademarks or Licenses all expenses (including, without limitation, all expenses for brokers' fees and legal services), shall apply the residue of such proceeds toward the payment of the Secured Obligations in the order and manner as Agent or the Required Lenders may elect. Notice of any sale or other disposition of any of the Patents, Trademarks and/or Licenses shall be given to Debtor at least five (5) Domestic Business Days before the time of any intended public or private sale or other disposition of such Patents, Trademarks and/or Licenses is to be made, which Debtor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Agent, any Lender or Lenders or any holder of any of the Secured Obligations may, to the extent permissible under applicable law, purchase the whole or any part of the Patents, Trademarks and/or Licenses sold, free from any right of redemption on the part of Debtor, which right is hereby waived and released. Debtor agrees that upon the occurrence and continuance of any Event of Default, the use by Agent and/or any of the Lenders of the Patents, Trademarks and Licenses shall be worldwide, and without any liability for royalties or other related charges from Agent or the Lenders to Debtor. If an Event of Default shall occur and be continuing, Agent shall have the right, but shall in no way be obligated, to bring suit in its own name (for the benefit of itself and the Lenders) to

enforce any and all of the Patents, Trademarks and Licenses, and, if Agent shall commence any such suit, Debtor shall, at the request of Agent or the Required Lenders, do any and all lawful acts and execute any and all proper documents required by Agent or the Required Lenders in aid of such enforcement and the Debtor shall promptly, upon demand, reimburse and indemnify Agent and the Lenders for all costs and expenses incurred by Agent or any of the Lenders in the exercise of its rights under this Agreement. All of Agent's and the Lenders' rights and remedies with respect to the Patents, Trademarks and Licenses, whether established hereby, by the Security Agreement or by any other agreement or by law shall be cumulative and may be exercised singularly or concurrently.

9. Termination of Agreement. At such time as (a) Borrowers shall pay all of the Secured Obligations in full, (b) no Letters of Credit shall remain outstanding, (c) Agent and the Lenders shall have no further commitment or obligation to make any loans or advances or other extensions of credit to Borrowers under the Loan Agreement or otherwise and (d) the Loan Agreement shall have expired or been terminated in accordance with its terms, this Agreement shall terminate and Agent shall execute and deliver to Debtor all instruments as may be necessary or proper to extinguish Agent's security interest therein, subject to any disposition thereof which may have been made by Agent pursuant to this Agreement.

10. Expenses. Any and all fees, costs and expenses of whatever kind or nature, including, without limitation, the reasonable attorneys' fees and expenses incurred by Agent in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or other amounts in connection with protecting, maintaining or preserving the Patents, Trademarks and/or Licenses, or in defending or prosecuting any actions or proceedings arising out of or related to the Patents, Trademarks and/or Licenses, shall be borne and paid by Debtor on demand by Agent and until so paid shall be added to the principal amount of the Secured Obligations and shall bear interest at a rate per annum equal to the lesser of Three and Three-Fourths Percent (3.75%) over and above the Prime Rate (which interest rate shall fluctuate as and when the Prime Rate shall change) or the highest rate of interest allowed by law from the date incurred until reimbursed by Debtor.

11. Preservation of Patents, Trademarks and Licenses. Debtor shall have the duty (a) to file and prosecute diligently any patent, trademark or service mark applications pending as of the date hereof or hereafter, (b) to make application on unpatented but patentable inventions and on trademarks and service marks, as commercially reasonable and (c) to preserve and maintain all rights in the Patents, Trademarks and Licenses, as commercially reasonable. Any expenses incurred in connection with Debtor's obligations under this Section 11 shall be borne by Debtor.

12. Agent Appointed Attorney-In-Fact. If any Event of Default under the Loan Agreement shall have occurred and be continuing, Debtor hereby authorizes and empowers Agent to make, constitute and appoint any officer or agent of Agent as Agent or the Required Lenders may select, in its or their sole discretion, as Debtor's true and lawful attorney-in-fact, with the power to endorse Debtor's name on all applications, documents, papers and instruments necessary for Agent and/ or any of the Lenders to use the Patents, Trademarks and Licenses, or to grant or issue any exclusive or non-exclusive license under the Patents, Trademarks and Licenses to anyone else, or necessary for Agent to assign, pledge, convey or otherwise transfer title to or dispose of the Patents, Trademarks and Licenses to anyone else. Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable for the duration of this Agreement.

13. No Waiver. No course of dealing between Debtor, Agent and the Lenders, nor any failure to exercise, nor any delay in exercising, on the part of Agent or any of the Lenders, any right,

power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

14. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

15. Amendments. This Agreement is subject to amendment or modification only by a writing signed by Debtor, Agent and the Required Lenders, except as provided in Paragraph 6 above.

16. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, except that Debtor may not assign, transfer or delegate any of its rights, obligations or duties under this Agreement.

17. Governing Law. The validity and interpretation of this Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the substantive laws of the State of Missouri (without reference to conflict of law principles).

IN WITNESS WHEREOF, Debtor and Agent have executed this Patent, Trademark and License Security Agreement as of the date first written above.

ST. JON LABORATORIES, INC. ("Debtor")

By: Jean M. Nelson

Jean M. Nelson, Executive Vice President
and Chief Financial Officer

FIRST BANK (Lender")

By: Traci Dodson

Traci Dodson, Vice President

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF Texas)
) SS.
COUNTY OF Tarrant)

On this 29th day of June, 2006, before me personally appeared Jean M. Nelson, to me personally known, who, being by me duly sworn, did say that she is the Executive Vice President and Chief Financial Officer of St. JON Laboratories, Inc., a California corporation, and that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors; and said Jean M. Nelson acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

(Seal)  Karen M Mur
My Commission Expires
June 03 2008

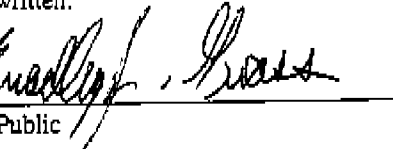
Karen M. Mur
Notary Public

My Commission Expires: June 3, 2008

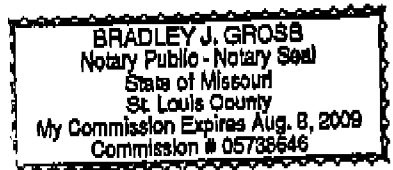
STATE OF MISSOURI)
) SS.
COUNTY OF ST. LOUIS)

On this 5 day of ~~June~~ July, 2006, before me appeared Traci Dodson, to me personally known, who, being by me duly sworn, did say that she is the Vice President of First Bank, a Missouri state banking corporation, and that said instrument was signed in behalf of said corporation, by authority of its Board of Directors; and said Traci Dodson acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my official seal in the County and State aforesaid, the day and year first above written.

(Seal)  Bradley J. Gross
Notary Public

My Commission Expires: Aug 8, 2009

 BRADLEY J. GROSS
Notary Public - Notary Seal
State of Missouri
St. Louis County
My Commission Expires Aug. 8, 2009
Commission # 05738546

SCHEDULE A

United States Patents

<u>Patent No.</u>	<u>Date Issued</u>	<u>Description</u>
D362,118		

SCHEDULE B

United States Patent Applications

<u>Application or Serial No.</u>	<u>Patents in Process</u>
None	

SCHEDULE CUnited States Trademarks

<u>Trademark No.</u>	<u>Date Issued</u>	<u>Description</u>
2331336	March 21, 2000	Maracare

State & Foreign Trademark

<u>Trademark</u>	<u>State/Country</u>	<u>Registration No.</u>	<u>Date</u>
C.E.T.	Japan	4256160	March 26, 1999
C.E.T.	United Kingdom	1566692	November 15, 1996

SCHEDULE D

United States Trademark Applications

Application No.

Date Filed

Trademark

None.

SCHEDULE E

Licenses

None