

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM306521

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Ventria Bioscience, Inc.		05/16/2014	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	William H Rutter		
Street Address:	201 Knoll Estate Drive		
City:	Mountain Village		
State/Country:	COLORADO		
Postal Code:	81435		
Entity Type:	INDIVIDUAL: UNITED STATES		
PROPERTY NUMBERS Total: 21			
Property Type	Number	Word Mark	
Serial Number:	78724062	C CELLASTIM	
Serial Number:	78722149	CELLASTIM	
Serial Number:	86054853	CURAVIVE	
Serial Number:	78490337	EXPRESSMAB	
Serial Number:	77021997	INVITRIA	
Serial Number:	77022008	INVITRIA	
Serial Number:	78722154	LACROMIN	
Serial Number:	78722161	LACROMIN	
Serial Number:	78722156	LACTIVA	
Serial Number:	78724057	LACTIVA	
Serial Number:	78778802	LYSOBAC	
Serial Number:	78778805	LYSOBAC	
Serial Number:	78722158	LYSOMIN	
Serial Number:	78724053	LYSOMIN	
Serial Number:	85508927	OPTIBUMIN	
Serial Number:	85508931	OPTIBUMIN	
Serial Number:	77755594	OPTIFERRIN	
Serial Number:	76366855	V	
Serial Number:	76345917	VENTRIA BIOSCIENCE	
Serial Number:	77755571	ZAP-CHO	
TRADEMARK			

OP \$540.00 78724062

Property Type	Number	Word Mark
Serial Number:	85230470	ZAP-HYBRIDOMA

CORRESPONDENCE DATA

Fax Number: 8012384665
Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.
Phone: 801-532-2666
Email: dan@crslaw.com
Correspondent Name: Daniel Torkelson
Address Line 1: 257 E 200 S, Suite 700
Address Line 4: Salt Lake City, UTAH 84111

NAME OF SUBMITTER:	Daniel J. Torkelson
SIGNATURE:	/djt/
DATE SIGNED:	06/03/2014

Total Attachments: 34
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LOAN AND SECURITY AGREEMENT

Dated May 16th, 2014

between

VENTRIA BIOSCIENCE INC.

As Borrower

and

WILLIAM H. RUTTER

As Lender

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EXHIBITS:

Exhibit "A" - Collateral List

Exhibit "B" - Form of Note

LOAN AND SECURITY AGREEMENT

This Loan and Security Agreement, dated this 16th day of May, 2014 (this "Agreement"), is made between Ventria Bioscience Inc., a Delaware corporation ("Borrower"), and William H. Rutter ("Lender").

RECITALS:

WHEREAS, Lender has agreed to loan money to the Borrower as a bridge loan for working capital purposes, on the terms and subject to the provisions contained herein.

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

ARTICLE I DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.1. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Advance" means an advance under Section 2.1.

"Affiliate" means any Person which, directly or indirectly, controls or is controlled by or is under common control with another Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities or by contract or otherwise.

"Bankruptcy Code" means The Bankruptcy Reform Act of 1978, as amended, and codified as 11 U.S.C. Sections 101 et seq.

"Borrower" has the meaning in the preamble.

"Business Day" means a day of the year on which banks are not required or authorized to close in Salt Lake City, Utah.

"Change of Control" shall be deemed to have occurred at such time as:

(i) any "person" (as that term is used in Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934 (the "Exchange Act")) (other than Lender or its Affiliates) becomes, directly or indirectly, the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act as in effect on the date hereof) of securities representing fifty percent (50%) or more of the combined voting power of the then outstanding voting membership interests of the Borrower or any successor of the Borrower;

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(ii) during any period of two (2) consecutive years or less, individuals who at the beginning of such period constituted the Board of Directors of the Borrower cease, for any reason, to constitute at least a majority of such Board of Directors, unless the election or nomination for election of each new member of such Board of Directors was approved by a vote of at least two-thirds of the members of such Board of Directors then still in office who were members of such Board of Directors at the beginning of the period;

(iii) the stockholders of the Borrower approve any merger or consolidation to which any of the Borrower is a party as a result of which the persons who were stockholders of the Borrower immediately prior to the effective date of the merger or consolidation (and excluding, however, any shares held by any party to such merger or consolidation and its Affiliates) shall have beneficial ownership of less than fifty percent (50%) of the combined voting power for election of members of the Board of Directors (or equivalent) of the surviving entity following the effective date of such merger or consolidation; or

(iv) the stockholders of the Borrower approve any merger or consolidation as a result of which the equity interests of the Borrower shall be changed, converted or exchanged (other than a merger with a wholly-owned Subsidiary of the Borrower) or any liquidation of the Borrower or any sale or other disposition of fifty percent (50%) or more of the assets or earnings power of the Borrower.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute.

“Collateral” means all right, title and interest in, to and under, all of the property and assets currently owned or owing to, or hereafter acquired or arising in favor of, Borrower and its Subsidiaries, wherever located, receivables, general intangibles, and chattel paper, as any of the foregoing terms may be defined in the Uniform Commercial Code of the State of Colorado (the “UCC”), including, without limitation, the collateral listed on Exhibit “A” attached hereto, and including any products, proceeds (including insurance proceeds) or income derived therefrom, whether by disposition or otherwise.

“Commitment” means a total of \$2,000,000, which shall be advanced to Borrower, subject to the terms and conditions of this Agreement, as set forth in Section 2.1 below.

“Control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Debt” means (without duplication), for any Person, (a) indebtedness of such Person for borrowed money or arising out of any extension of credit to or for the account of such Person (including, without limitation, extensions of credit in the form of reimbursement or payment obligations of such Person relating to letters of credit issued

for the account of such Person) or for the deferred purchase price of property or services; (b) indebtedness of the kind described in clause (a) of this definition which is secured by (or for which the holder of such debt has any existing right, contingent or otherwise, to be secured by) any Lien upon or in Property (including, without limitation, accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness or obligations; (c) all obligations as lessee under any Capital Lease; (d) all contingent liabilities and obligations under direct or indirect guarantees in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (a) through (c) above; and (e) any monetary obligation of a Person under or in connection with a sale-leaseback or similar arrangement.

“Debtor Laws” means all applicable liquidation, conservatorship, bankruptcy, moratorium, arrangement, receivership, insolvency, reorganization or similar laws including the Bankruptcy Code, or general equitable principles from time to time in effect affecting the rights of creditors generally.

“Default” means any event the occurrence of which does, or with the lapse of time or giving of notice or both would, constitute an Event of Default.

“Equity Interests” of any Person shall mean any and all shares, rights to purchase, options, warrants, general, limited or limited liability partnership interests, membership interests, participation or other equivalents of or interest in (regardless of how designated) equity of such Person, whether voting or nonvoting, including common stock, preferred stock, convertible securities or any other “equity security” (as such term is defined in Rule 3a11-1 under the Securities Exchange Act of 1934).

“Events of Default” has the meaning specified in Section 9.1.

“Fee” has the meaning specified in Section 2.3.

“GAAP” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants, and statements and pronouncements of the Financial Accounting Standards Board.

“Governmental Authority” means any (domestic or foreign) federal, state, county, municipal, parish, provincial, or other government, or any department, commission, board, court, agency, or any other instrumentality of any of them or any other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory, or administrative functions of, or pertaining to, government, including, without limitation, any arbitration panel, any court, or any commission.

“Highest Lawful Rate” means the maximum non-usurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged, or received with respect to any Note or on other amounts, if any, due to the Lender pursuant to this Agreement or any other Loan Document under laws applicable to the Lender

which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect.

“Insolvency Proceeding” means in any case or proceeding commenced by or against a Person under any state, federal or foreign law for, or any agreement of such Person to, (a) the entry of an order for relief under the U.S. Bankruptcy Code, or any other insolvency, debtor relief or debt adjustment law; (b) the appointment of a receiver, trustee, liquidator, administrator, conservator or other custodian for such Person or any part of its Property; or (c) an assignment or trust mortgage for the benefit of creditors.

“Interest Rate” has the meaning specified in Section 2.3.

“Issue Date” means the date on which a Note is issued pursuant to this Agreement. The Commitment shall be Advanced on three separate Issue dates as to in Section 2.1.

“Legal Requirement” means any order, constitution, law, ordinance, principle of common law, regulation, rule, statute or treaty of any applicable Governmental Authority.

“Lien” means any security interest, mortgage, pledge, hypothecation, charge, claim, option, right to acquire, adverse interest, assignment, deposit arrangement, encumbrance, restriction, statutory or other lien, preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any financing lease involving substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction).

“Loan Documents” means this Agreement, the Notes, and each other certificate, instrument, agreement or document delivered by any Loan Party in connection with the transactions contemplated by this Agreement.

“Loan Party” means the Borrower and any Borrower’s Subsidiary.

“Material Adverse Effect” means (i) a material adverse effect on the transactions contemplated hereby (including a material adverse effect on the ability of any party hereto to perform its obligations hereunder) or (ii) an adverse effect on the business, Property, assets, liabilities, operations, results of operations, condition (financial or otherwise) or prospects of the Loan Parties, if any, that is material to the Loan Parties, taken as a whole, other than as a result of adverse economic conditions in the United States generally or as a result of any act or omission contemplated by this Agreement.

“Maturity Date” means the earliest to occur of (a) October 1, 2014, or (b) such earlier time to which the Obligations may be accelerated under Section 9.1 hereof.

“Merck Amount” means an amount that may be paid by Merck KGaA to terminate its contract with Borrower after the date hereof.

"Note" means each promissory note issued under this Agreement evidencing an Advance pursuant to Section 2.2.

"Obligations" means all of the obligations of the Borrower now or hereafter existing under the Loan Documents, whether for principal, interest, fees, expenses, indemnification or otherwise.

"Ordinary Course of Business" means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

"Permitted Liens" has the meaning specified in Section 8.3.

"Person" means an individual, partnership, limited liability company (including a business trust or a real estate investment trust), joint stock company, trust, unincorporated association, corporation, joint venture or other entity, or a government or any political subdivision or agency thereof.

"Responsible Officer" means the chief financial officer or the chief accounting officer of Borrower.

"Solvent" means as to any Person, such Person (a) owns Property whose fair salable value is greater than the amount required to pay all of its debts (including contingent, subordinated, unmatured and unliquidated liabilities); (b) owns Property whose present fair salable value (as defined below) is greater than the probable total liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) of such Person as they become absolute and matured; (c) is able to pay all of its debts as they mature; (d) has capital that is not unreasonably small for its business and is sufficient to carry on its business and transactions and all business and transactions in which it is about to engage; (e) is not "insolvent" within the meaning of Section 101(32) of the U.S. Bankruptcy Code; and (f) has not incurred (by way of assumption or otherwise) any obligations or liabilities (contingent or otherwise) under any Loan Documents, or made any conveyance in connection therewith, with actual intent to hinder, delay or defraud either present or future creditors of such Person or any of its Affiliates. "Fair salable value" means the amount that could be obtained for assets within a reasonable time, either through collection or through sale under ordinary selling conditions by a capable and diligent seller to an interested buyer who is willing (but under no compulsion) to purchase.

"Subsidiary" when used with respect to any Person, shall mean any corporation or other organization, whether incorporated or unincorporated, of which (i) such Person or any other Subsidiary of such Person is a general partner or (ii) at least such number and kind of the securities or other interests having by their terms ordinary voting power to elect at least 50% of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such Person, by any one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries.

SECTION 1.2. Terms Generally. The definitions in Section 1.1 apply equally to both the singular and plural forms of the terms defined. Whenever the context requires, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be construed as if followed by the words "without limitation". The words "herein", "hereof" and "hereunder" and words of similar import refer to this Agreement (including the Exhibits hereto) in its entirety and not to any part hereof, unless the context otherwise requires. All references herein to Articles, Sections, and Exhibits are references to Articles and Sections of, and Exhibits to, this Agreement unless the context otherwise requires. Unless the context otherwise requires, any references to any agreement or other instrument or statute or regulation are to such agreement, instrument, statute or regulation as amended and supplemented from time to time (and, in the case of a statute or regulation, to any successor provisions). Any reference in this Agreement to a "day" or number of "days" (without the explicit qualification of "business") shall mean a calendar day or number of calendar days. If any action or notice is to be taken or given on or by a particular day, and such day is not a business day, then such action or notice shall be deferred until, or may be taken or given on, the next Business Day.

SECTION 1.3. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, unless otherwise specified herein the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

SECTION 1.4. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP consistent with SEC financial reporting requirements.

ARTICLE II. AMOUNTS AND TERMS OF THE ADVANCE

SECTION 2.1. Advances. Lender agrees, on the terms and conditions hereinafter set forth, to make an advance ("Advance") on the following Issue Date:

- (i) \$750,000 on the date of the execution of this Agreement;
- (ii) \$500,000 on June 15, 2014; and
- (iii) \$750,000 on August 1, 2014.

The amount outstanding on each of such Advance shall be payable in accordance with Section 3.1 hereof and shall mature and all outstanding principal thereof, together with accrued and unpaid interest thereon, shall be due and payable on the Maturity Date. Borrower may elect not to take the June 15, 2014 Advance or the August 1, 2014 Advance.

SECTION 2.2. The Notes. To evidence each Advance, the Borrower shall execute and deliver to the Lender, a term note (the "Note") in the amount of the Advance. Each Note shall be substantially in the form of Exhibit "B" hereto with the blanks appropriately filled, and shall



mature on the Maturity Date, at which time all principal and accrued and unpaid interest then outstanding thereunder shall become due and payable.

SECTION 2.3. Interest. Each Advance shall bear interest from and including the respective Issue Date of such Advance, at a simple rate per annum equal at all times to eight percent (8%) (the "Interest Rate"). Subject to Section 3.3, interest shall be payable in full at the Maturity Date. After the occurrence and during the continuance of an Event of Default the Advance and all other Obligations shall bear interest at a rate per annum equal to fifteen percent (15%) (the "Default Rate").

All computations of interest hereunder pursuant to this Article II shall be made on the basis of the actual number of days per year, in each case including the first day but excluding the last day occurring in the period for which such interest is payable.

ARTICLE III. PAYMENTS, PREPAYMENTS, INCREASED COSTS AND TAXES

SECTION 3.1. Payments and Computations.

(a) The outstanding principal balance of each Advance shall be payable on the Maturity Date, when all unpaid principal of, and accrued and unpaid interest on, each Advance shall be due and payable.

(b) Interest due under the Notes shall be payable in cash on the Maturity Date.

(c) Whenever any payment under any Note shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest.

SECTION 3.2. Mandatory Prepayments. If, while any amount of principal or accrued but unpaid interest remain outstanding on any Note, the Borrower receives additional capital or conducts any sale of its assets, other than sales made in the Ordinary Course of Business, and other sales permitted under the Loan Documents, the Borrower and its Subsidiaries shall, immediately upon receipt of the net proceeds of such capital contribution or sale, pay to the Lender all of such net proceeds up to an amount equal to the aggregate amount of principal of and accrued interest on the Notes. Lender shall apply any such proceeds, in its sole discretion, to prepay amounts of principal of and/or accrued interest on the Notes then outstanding, without any penalty or premium. Notwithstanding anything to the contrary in this Agreement, the Merck Amount shall not trigger prepayment in this Section and shall be deemed a payment received in the Ordinary Course of Business.

SECTION 3.3. Voluntary Prepayments. The Borrower may, upon at least five (5) Business Days' prior written notice to the Lender, prepay all or any portion of the principal balance of the Obligations without penalty or premium. Any portion of the principal amount of an Advance which is prepaid in accordance with this Section shall reduce the principal amount

of the Note evidencing such Advance and may not be re-borrowed. Any prepayment of principal under this Section 3.3 shall be accompanied by a payment of all accrued interest.

SECTION 3.4. Taxes

(a) Any and all payments by the Borrower under the Notes shall be made, in accordance with Section 3.1, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of the Lender, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction under the laws of which the Lender is organized or any political subdivision thereof. If the Borrower shall be required by law to deduct any such amounts from or in respect of any sum payable under the Notes to the Lender, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 3.4) the Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. The Borrower further agree to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made under the Notes or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or the Notes.

(b) The Borrower will indemnify the Lender for the full amounts payable pursuant to Section 3.4(a) (including, without limitation, any taxes or such other amounts imposed by any Governmental Authority on amounts payable under this Section 3.4) paid by the Lender and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such amounts were correctly or legally asserted.

Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section 3.4 shall survive the payment in full of principal and interest under the Notes.

ARTICLE IV. SECURITY

SECTION 4.1. Grant of Security Interest. The Borrower hereby pledges to Lender, as security for the Obligations, and grants to Lender a continuing security interest in, lien on and right of set-off against the Collateral, subject only to Permitted Liens, to secure prompt repayment of any and all Obligations and in order to secure prompt performance by the Borrower of its covenants and duties under the Loan Documents.

SECTION 4.2. Delivery of Additional Documentation Required. Borrower shall execute and deliver to the Lender, prior to or concurrently with the Borrower's execution and delivery of this Agreement and at any time thereafter at the request of the Lender, all financing statements,

continuation financing statements, security agreements, assignments, affidavits, reports, notices, schedules of accounts, letters of authority, and all other documents that the Lender may reasonably request, in form satisfactory to Lender, to perfect and maintain perfected the Lender's security interests in the Collateral and in order to fully consummate all of the transactions contemplated under the Loan Documents.

SECTION 4.3. Lender Appointed Attorney-in-Fact. Borrower hereby irrevocably appoints Lender its attorney-in-fact, with full authority in the place and stead of Borrower and in the name of Borrower or otherwise, at such time as an Event of Default has occurred and is continuing hereunder, to take any action and to execute any instrument which Lender may reasonably deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in connection with the accounts or any other Collateral of Borrower;

(b) to receive, indorse, and collect any drafts or other instruments, documents, negotiable collateral or chattel paper; and

(c) to file any claims or take any action or institute any proceedings which Lender may deem necessary or desirable for the collection of any of the Collateral of Borrower or otherwise to enforce the rights of Lender with respect to any of the Collateral.

To the extent permitted by law, Borrower hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement is terminated.

SECTION 4.4. Lender's Duties. The powers conferred on Lender hereunder are solely to protect Lender's interest in the Collateral, and shall not impose any duty upon Lender to exercise any such powers. Except for the safe custody of any Collateral in its actual possession and the accounting for moneys actually received by it hereunder, Lender shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. Lender shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its actual possession if such Collateral is accorded treatment substantially equal to that which Lender accords its own property.

ARTICLE V. CONDITIONS OF LENDING

SECTION 5.1. Conditions Precedent to Each Advance. The obligation of the Lender to make an Advance is subject to the condition precedent that the Lender shall have received, in form and substance satisfactory to the Lender:

(a) Note. A Note representing the aggregate amount of the Advance, duly executed by Borrower and payable to the order of the Lender.



(b) Authorizations. Resolutions of the Board of Directors of Borrower approving and authorizing the execution, delivery, and performance by Borrower of each Loan Document, and the transactions contemplated thereunder.

(c) Good Standing. Certificates of appropriate officials as to the existence and good standing of the Borrower in its jurisdiction of organization.

(d) Closing Deliveries. Lender shall have received, in form and substance reasonably satisfactory to Lender, all other agreements, notes, certificates, orders, authorizations, financing statements, and other documents which Lender may at any time reasonably request.

(e) Security Interests. Lender shall have received satisfactory evidence that all security interests and liens granted to Lender for the benefit of Lender pursuant to this Agreement or the other Loan Documents have been duly perfected and constitute first priority liens on the Collateral, subject only to Permitted Liens.

(f) Representations and Warranties. The representations and warranties of the Borrower contained herein and in the Loan Documents shall be true, correct and complete on and as of the Issue Date to the same extent as though made on and as of that date, except for any representation or warranty limited by its terms to a specific date.

(g) No Default. No event shall have occurred and be continuing or would result from funding the Advance that would constitute an Event of Default or a Default.

(h) Performance of Agreements. Each Loan Party shall have performed in all material respects all agreements and satisfied all conditions which any Loan Document provides shall be performed by it on or before the Issue Date, in each case to the reasonable satisfaction of the Lender.

(i) No Prohibition. No order, judgment or decree of any court, arbitrator or Governmental Authority shall purport to enjoin or restrain Lender from making the Advance.

(j) No Litigation. There shall not be pending or, to the knowledge of any Loan Party, threatened, any action, charge, claim, demand, suit, proceeding, petition, governmental investigation or arbitration by, against or affecting any Loan Party or any Property of any Loan Party that has not been disclosed to Lender by Loan Parties in writing, and there shall have occurred no development in any such action, charge, claim, demand, suit, proceeding, petition, governmental investigation or arbitration that, in the reasonable opinion of Lender, would reasonably be expected to have a Material Adverse Effect.

(k) Insurance. Lender shall receive, within ten business days following the Issue Date, certificates of insurance, insurance policies or binders for

insurance with respect to each Loan Party in types and amounts, under terms and conditions satisfactory to Lender with appropriate endorsements naming Lender as loss payee and/or additional insured, as appropriate.

(l) Material Adverse Change. Since the date of this Agreement, there shall have been no material adverse change in the business, operations, assets, properties, liabilities, profits, prospects or financial position of the Loan Parties taken as a whole as determined by the Lender in its sole discretion.

SECTION 5.2. Conditions Precedent to June 15 Advance and August 1 Advance. In addition to the conditions set forth in Section 5.1 above, the obligation of the Lender to make either June 15, 2014 Advance or the August 1, 2014 Advance is subject to the condition precedent that the Lender shall have received, in form and substance satisfactory to the Lender:

(a) The Board of Directors of Borrower shall have approved a cash flow budget through the Maturity Date that provides for normal operating expenses (including any board approved cost cutting measures), proposed animal trials, capital expenses to manufacture Optibumin in Junction City, capital expenses to address J&J's concerns about "animal free" production facilities, and commencement of investigator sponsored trials of lactoferrin in AIDS patients and in elderly patients with unexplained anemia.

ARTICLE VI. REPRESENTATIONS AND WARRANTIES

In order to induce the Lender to enter into this Agreement, the Borrower represents and warrants to the Lender as of the date hereof and as of the Issue Date that:

SECTION 6.1. Authority, Due Execution, Binding Obligation. Borrower has the requisite corporate authority and all other power and authority to enter into this Agreement and otherwise to carry out its obligations hereunder. The execution, delivery and performance by the Borrower of this Agreement and the filings contemplated therein have been duly authorized by all necessary action on the part of the Borrower and no further action is required by the Borrower. This Agreement has been duly executed by the Borrower. This Agreement constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization and similar laws of general application relating to or affecting the rights and remedies of creditors and by general principles of equity.

SECTION 6.2. Location. The Borrower has no place of business or offices where its books of account and records are kept or places where Collateral is stored or located, except its executive offices at 320 East Vine Drive, Fort Collins, CO 80524, and its manufacturing facility at 2718 Industrial Drive, Junction City, Kansas.

SECTION 6.3. Organization and Name. The Borrower was organized and remains organized solely under the laws of the State of Delaware. The Borrower has no trade name other than those listed on Exhibit "A" attached hereto.

SECTION 6.4. No Liens. Except for Permitted Liens, the Borrower is the sole owner of the Collateral, free and clear of any liens, security interests, encumbrances, rights or claims, and is fully authorized to grant the Security Interests. There is not on file in any governmental or regulatory authority, agency or recording office an effective financing statement, security agreement, license or transfer or any notice of any of the foregoing (other than those that will be filed in favor of the Lender pursuant to this Agreement) covering or affecting any of the Collateral.

SECTION 6.5. No Claims. No written claim has been received that any Collateral or the Borrower's use of any Collateral violates the rights of any third party. There has been no adverse decision to the Borrower's claim of ownership rights in or exclusive rights to use the Collateral in any jurisdiction or to the Borrower's right to keep and maintain such Collateral in full force and effect, and there is no proceeding involving said rights pending or, to the best knowledge of the Borrower, threatened before any court, judicial body, administrative or regulatory agency, arbitrator or other governmental authority.

SECTION 6.6. Non-Contravention. The execution, delivery and performance of this Agreement by the Borrower does not (i) violate any of the provisions of any organizational document of the Borrower or any judgment, decree, order or award of any court, governmental body or arbitrator or any applicable law, rule or regulation applicable to the Borrower or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing the Borrower's debt or otherwise) or other understanding to which the Borrower is a party or by which any property or asset of the Borrower is bound or affected. If any, all required consents (including, without limitation, from stockholders or creditors of the Borrower) necessary for the Borrower to enter into and perform its obligations hereunder have been obtained.

SECTION 6.7. No Default or Event of Default. No event has occurred or is continuing which constitutes a Default or Event of Default hereunder.

ARTICLE VII. AFFIRMATIVE COVENANTS OF THE BORROWER

Until such time as all Obligations shall be indefeasibly paid in full, the Borrower covenants and agrees that, unless the Lender shall otherwise consent in writing:

SECTION 7.1. Compliance with Laws, Etc. The Borrower will comply, in all material respects with all applicable Legal Requirements; provided, however, that the Borrower will comply in full with any applicable Legal Requirements the failure with which to comply could reasonably be expected to have a Material Adverse Effect.



SECTION 7.2. Reporting and Notice Requirements. The Borrower will furnish to the Lender:

(a) Notice of Default. Promptly after any officer of the Borrower knows or has reason to know that any Default or Event of Default has occurred, a written statement of such officer of the Borrower setting forth the details of such Default or Event of Default and the action which the Borrower has taken or proposes to take with respect thereto.

(b) Notification of Claim against the Collateral. The Borrower will, immediately upon becoming aware thereof, notify the Lender in writing of any setoff, withholdings or other defenses to which any of the Collateral, or the Lender's rights with respect to the Collateral, are subject.

SECTION 7.3. Use of Proceeds. The proceeds of the Advance will be exclusively used by the Borrower for (i) general working capital purposes, and (ii) to fund the Borrower's operations conducted in the Ordinary Course of Business and in accordance with the board approved budget referred to in Section 5.2(a).

SECTION 7.4. Taxes and Liens. The Borrower will pay and discharge, or will cause to be paid and discharged, promptly all taxes, assessments, and governmental charges or levies imposed upon the Borrower or upon the income of any Property of the Borrower as well as all claims of any kind (including, without limitation, claims for labor, materials, supplies, and rent) which, if unpaid, might become a Lien upon any Property of the Borrower, except such taxes, assessments, governmental charges or levies contested in good faith by the Borrower and which adequate reserves are maintained in accordance with GAAP.

SECTION 7.5. Right of Inspection. From time to time upon reasonable notice to the Borrower, the Borrower will permit any officer or employee of, or agent designated by, the Lender to visit and inspect any of the properties of any Loan Party, examine such Loan Party's corporate books or financial records, take copies and extracts therefrom, and discuss the affairs, finances, and accounts of such Loan Party with its officers, certified public accountants and legal counsel, all as often as the Lender may reasonably desire, provided that such visits and inspections shall be made only during business hours and so as not to interfere unreasonably with the business and operations of such Loan Party.

SECTION 7.6. Insurance. The Borrower will maintain insurance of similar types and coverages as maintained on the date hereof and consistent with past practice with financially sound and reputable insurance companies and associations acceptable to the Lender based on the Lender's reasonable judgment (or as to workers' compensation or similar insurance, in an insurance fund or by self-insurance authorized by the jurisdiction in which its operations are carried on).

SECTION 7.7. Notice of Litigation. The Borrower will promptly notify Lender in writing of any litigation, legal proceeding or dispute, other than disputes in the ordinary course of business or, whether or not in the ordinary course of business, involving amounts in excess of \$25,000, and any investigation of the Borrower by any Governmental Authority, which could

reasonably be expected to adversely affect the Borrower or any Loan Party whether or not fully covered by insurance, and regardless of the subject matter thereof.

SECTION 7.8. Maintenance of Office. The Borrower will maintain its chief executive office at 320 East Vine Drive, Fort Collins, CO 80524, or at such other place in the United States of America as it shall designate upon written notice to the Lender, where notices, presentations and demands to or upon the Borrower in respect of the Loan Documents to which it is a party may be given or made. The Borrower shall notify the Lender in writing of its intent to relocate any of its Property at least ten Business Days prior to the date of such proposed relocation, specifying the Property to be relocated and the location to which it will be relocated.

SECTION 7.9. Existence. The Borrower will, and will cause each Loan Party to preserve and maintain its legal existence and all of its material rights, privileges, licenses, contracts and Property and assets used or useful to its business.

SECTION 7.10. Further Assurances. The Borrower will cooperate with the Lender and execute, and will cause each Loan Party to execute, such further instruments and documents as the Lender shall reasonably request to carry out to its satisfaction the transactions contemplated by this Agreement and the other Loan Documents.

ARTICLE VIII. NEGATIVE COVENANTS

Until such time as all Obligations shall be indefeasibly paid in full, the Borrower covenants and agrees that, without the written consent of the Lender:

SECTION 8.1. Impairment of Rights. The Borrower will not undertake, or permit any Loan Party to undertake, any action or engage in any transaction or activity the intent or reasonably expected consequences of which may be to impair the Lender's rights hereunder.

SECTION 8.2. Restrictions on Debt. The Borrower and its Subsidiaries will not create, incur, assume, guarantee or be or remain liable, contingently or otherwise, with respect to any Debt other than:

- (a) Debt to the Lender arising under any of the Loan Documents;
- (b) liabilities of Borrower or its Subsidiaries incurred in the ordinary course of business not incurred through (i) the borrowing of money, or (ii) the obtaining of credit except for credit on an open account basis customarily extended and in fact extended in connection with normal purchases of goods and services;
- (c) outstanding liabilities of Borrower pursuant to the equipment financing lease with Spirit of '76 and in the loan from KTEC;
- (d) Debt incurred in the Ordinary Course of Business in respect of taxes, assessments, governmental charges or levies and claims for labor, materials and

supplies to the extent that payment therefor shall not at the time be required to be made in accordance with the provisions of Section 7.4;

(e) Debt in respect of judgments or awards that have been in force for less than the applicable period for taking an appeal so long as execution is not levied thereunder or in respect of which the Borrower or any its Subsidiaries shall at the time in good faith be prosecuting an appeal or proceedings for review and in respect of which a stay of execution shall have been obtained pending such appeal or review;

(f) endorsements for collection, deposit or negotiation and warranties of products or services, in each case incurred in the ordinary course of business;

(g) Debt owed by the Borrower or its Subsidiaries to trade vendors, in the amount of the cost to the Loan Party of inventory held on consignment from such trade vendors, including, without limitation, in connection with and pursuant to agreements with such trade vendors; and

(h) Debt owed to Tom Urban or his Affiliates for funds advanced to the Company on or after March 1, 2014, provided that any security interests securing such debt shall be subordinated to the security interests securing the Obligations.

SECTION 8.3. Restrictions on Liens. The Borrower and its Subsidiaries shall not (i) create or incur or suffer to be created or incurred or to exist any Lien upon any of their respective Property, or upon the income or profits therefrom; (ii) transfer any of such Property or the income or profits therefrom for the purpose of subjecting the same to the payment of Debt or performance of any other obligation in priority to payment of its general creditors; (iii) except in the Ordinary Course of Business, acquire, or agree or have an option to acquire, any property or assets upon conditional sale or other title retention or purchase money security agreement, device or arrangement; (iv) suffer to exist for a period of more than thirty (30) days after the same shall have been incurred any Debt or claim or demand against it that if unpaid might by law or upon bankruptcy or insolvency, or otherwise, be given any priority whatsoever over its general creditors; or (v) except in the Ordinary Course of Business, sell, assign, pledge or otherwise transfer any accounts, contract rights, general intangibles, chattel paper or instruments, with or without recourse; provided that the Borrower and its Subsidiaries may create or incur or suffer to be created or incurred or to exist (the "Permitted Liens"):

(a) liens to secure taxes, assessments and other government charges in respect of obligations not overdue or liens on properties to secure claims for labor, material or supplies in respect of obligations not overdue;

(b) deposits or pledges made in connection with, or to secure payment of, workmen's compensation, unemployment insurance, old age pensions or other social security obligations;

(c) equipment financing lease with Spirit of '76 and the KTEC Note;

(d) other minor liens or encumbrances none of which in the opinion of the Lender interferes materially with the use of the Property affected in the ordinary conduct of the business of the such Loan Party, which defects do not individually or in the aggregate have a Material Adverse Effect on the business of the Borrower and its Subsidiaries, individually or on a consolidated basis;

(e) purchase money security interests incurred in the ordinary course of business; and

(f) security interests to secure debt owed to Tom Urban or his Affiliates for funds advanced to the Company on or after March 1, 2014, provided that any security interests securing such debt shall be subordinated to the security interests securing the Obligations.

SECTION 8.4. Mergers and Acquisitions. The Borrower, its Members and its Subsidiaries will not become a party to any merger, exchange, or acquisition or consolidation, or agree to or effect any asset acquisition or membership interest acquisition (other than the acquisition of assets in the ordinary course of business consistent with past practices), unless such transaction expressly requires the repayment of the Notes and any and all outstanding interest and the Notes and all interest thereon are in fact paid in full at the closing of such transaction.

The Borrower and its Subsidiaries will not agree to or effect any asset acquisition, except for raw materials and inventory in the Ordinary Course of Business, or issue additional membership interest without the prior written consent of the Lender, unless such transaction expressly requires the repayment of the Note and any and all outstanding interest at the closing of such transaction and the Notes and all interest thereon are in fact paid in full at the closing of such transaction. The Borrower and its Subsidiaries will not create or form any new Subsidiaries without the prior written consent of Lender.

SECTION 8.5. Issuance of Equity Interests. The Borrower and its Subsidiaries will not issue any Equity Interests, as the case may be, including, without limitation, any issuance of warrants, options or subscription or conversion rights (other than under any existing employee compensation scheme), unless (i) the Borrower or its Subsidiaries receives solely cash proceeds from each such issuance, and (ii) the net proceeds from such issuance are applied in accordance with Section 3.2 hereof.

ARTICLE IX. EVENTS OF DEFAULT

SECTION 9.1. Events of Default. If any of the following events ("Events of Default") shall occur and shall not have been cured within one calendar day (in the case of monetary defaults) or 7 calendar days (in the case of all other defaults) unless a shorter period of time is specified below, provided, however, if a non-monetary default is not reasonably capable of being cured within such seven (7) day period, it shall not be an Event of Default if Borrower commences such cure within seven (7) days and thereafter diligently pursues such cure:

(a) the Borrower shall fail to pay principal of or interest on the Notes or other amounts due under the Notes or this Agreement or any other Loan Document, when the same becomes due and payable; or

(b) any representation or warranty made any Loan Party (or any of its officers) under or in connection with any Loan Document shall prove to have been untrue or incorrect in any material respects, when made or deemed made; or

(c) any Loan Party shall fail to perform or observe any term, covenant or agreement contained herein or in any other Loan Document within 15 days after a senior officer has knowledge thereof or receives notice thereof, written notice from the Lender to cure same, whichever is sooner; or

(d) any Loan Party shall fail to pay any principal of, or premium or interest on, any Debt in excess of \$25,000 when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) unless being contested in good faith, and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event constituting a default (however defined) shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, which would give rise to a right to accelerate such Debt; or

(e) the Borrower fails to use the proceeds from the Advance in accordance with the stated use therefor as contemplated by Section 7.3; or

(f) any Loan Party is enjoined, restrained or in any way prevented by any Governmental Authority from conducting any material part of its business; any Loan Party suffers the loss, revocation or termination of any material license, permit, lease or agreement necessary to its business; there is a cessation of any material part of an Loan Party's business for a material period of time; any material Collateral or Property of an Loan Party is taken or impaired through condemnation; any Loan Party agrees to or commences any liquidation, dissolution or winding up of its affairs;

(g) any Insolvency Proceeding is commenced by any Loan Party; an Insolvency Proceeding is commenced against any Loan Party and: such Loan Party consents to the institution of the proceeding against it, the petition commencing the proceeding is not timely controverted by such Loan Party, such petition is not dismissed within 30 days after its filing, or an order for relief is entered in the proceeding; a trustee (including an interim trustee) is appointed to take possession of any substantial Property of or to operate any of the business of any Loan Party; or any Loan Party makes an offer of settlement, extension or composition to its unsecured creditors generally;

(h) the Borrower shall attempt to liquidate or dissolve itself, without the prior written consent of the Lender; or

(i) there shall occur any Change of Control.

then, and in any such event, Lender (after providing the notice and opportunity to cure set forth in the first clause of this Section) may, by notice to the Borrower, declare the principal amount of the Notes, all interest thereon and all other Obligations or amounts payable under this Agreement or any other Loan Document to be forthwith due and payable, whereupon the Notes, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower and all interest on and principal of all other Debt owed by the Borrower to the Lender shall likewise become and be forthwith due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided however, that in the case of any Default pursuant to Subsections (g), and (i) of this Section 9.1, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest, right to cure or any notice of any kind, all of which are hereby expressly waived by the Borrower.

SECTION 9.2. Remedies. Upon the occurrence and during the continuance of an Event of Default:

(a) Lender may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein, in the other Loan Documents, or otherwise available to it, all the rights and remedies of a secured party on default under the UCC or any other applicable law. Without limiting the generality of the foregoing, Borrower expressly agrees that, in any such event, Lender without demand of performance or other demand, advertisement or notice of any kind (except a notice specified below of time and place of public or private sale) to or upon Borrower or any other Person (all and each of which demands, advertisements and notices are hereby expressly waived to the maximum extent permitted by the UCC or any other applicable law), may take immediate possession of all or any portion of the Collateral and (i) require Borrower to, and Borrower hereby agrees that it will at its own expense and upon request of Lender forthwith, assemble all or part of the Collateral as directed by Lender and make it available to Lender at one or more locations where Borrower regularly maintains inventory, and (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of Lender's offices or elsewhere, for cash, on credit, and upon such other terms and at such prices as Lender may deem commercially reasonable.

Borrower agrees that, to the extent notice of sale shall be required by law, at least 10 days notice to Borrower of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification and specifically such notice shall constitute a reasonable "authenticated notification of disposition" within the meaning of Section 9-611 of the UCC. Lender shall not be obligated to make any sale of Collateral regardless



of notice of sale having been given. Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Any cash held by Lender as Collateral and all cash proceeds received by Lender in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied against the Obligations in the order set forth in the Credit Agreement. In the event the proceeds of Collateral are insufficient to satisfy all of the Obligations in full, Borrower shall remain jointly and severally liable for any such deficiency.

(c) Borrower hereby acknowledges that the Obligations arose out of a commercial transaction, and agrees that if an Event of Default shall occur Lender shall have the right to an immediate writ of possession without notice of a hearing. Lender shall have the right to the appointment of a receiver for the properties and assets of Borrower, and Borrower hereby consents to such rights and such appointment and hereby waives any objection Borrower may have thereto or the right to have a bond or other security posted by Lender.

SECTION 9.3. Remedies Cumulative. Each right, power, and remedy of Lender as provided for in this Agreement or in the other Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power, or remedy provided for in this Agreement or in the other Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Lender, of any one or more of such rights, powers, or remedies shall not preclude the simultaneous or later exercise by Lender of any or all such other rights, powers, or remedies.

SECTION 9.4. Marshaling. Lender shall not be required to marshal any present or future collateral security (including but not limited to the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, Borrower hereby agrees that it will not invoke any law relating to the marshaling of collateral which might cause delay in or impede the enforcement of Lender's rights and remedies under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, Borrower hereby irrevocably waives the benefits of all such laws.

ARTICLE X. MISCELLANEOUS

SECTION 10.1. Survival of Representations and Warranties. All representations and warranties in each Loan Document shall survive the delivery of the Notes and the making of the



Advance, and shall continue after the repayment of the Notes and the Maturity Date until all Obligations are indefeasibly paid in full, and any investigation at any time made by or on behalf of the Lender shall not diminish the Lender's right to rely thereon.

SECTION 10.2. Amendments, Etc. No amendment or waiver of any provision of this Agreement or the Notes, or any other Loan Document, nor consent by Lender to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 10.3. Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including by facsimile or e-mail transmission) and shall be effective when actually delivered, or in the case of facsimile or e-mail transmission, when received and telephonically confirmed, addressed as follows:

If to Borrower or any other Loan Party: Ventria Bioscience, Inc.
320 East Vine Drive
Fort Collins, CO 80524
Attention: Scott Deeter
e-mail: sdeeter@ventria.com

If to Lender: William H. Rutter
201 Knoll Estates Drive
Mountain Village, CO 81435
e-mail: whrutter@citlink.net

SECTION 10.4. No Waiver; Remedies. No failure on the part of the Lender to exercise, and no delay in exercising, any right under any Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 10.5. Expenses and Attorneys' Fees. Whether or not the transactions contemplated hereby shall be consummated, each Loan Party agrees to promptly pay all fees, costs and expenses incurred in connection with any matters contemplated by or arising out of this Agreement or the other Loan Documents including the following, and all such fees, costs and expenses shall be part of the Obligations, payable on demand and secured by the Collateral: (a) fees, costs and expenses incurred by Lender (including reasonable attorneys' fees and expenses and fees of consultants, accountants and other professionals retained by Lender) incurred in connection with the examination, review, due diligence investigation, documentation and closing of the financing arrangements evidenced by the Loan Documents; (b) fees, costs and expenses incurred by Lender (including reasonable attorneys' fees and expenses, the allocated costs of Lender's internal legal staff and fees of environmental consultants, accountants and other professionals retained by Lender) incurred in connection with the review, negotiation, preparation, documentation, execution, syndication and administration of the Loan Documents, the Loans, and any amendments, waivers, consents, forbearances and other modifications

relating thereto or any subordination or intercreditor agreements, including reasonable documentation charges assessed by Lender for amendments, waivers, consents and any other documentation prepared by Lender's internal legal staff; (c) fees, costs and expenses (including reasonable attorneys' fees) incurred on behalf of Lender in creating, perfecting and maintaining perfection of Liens in favor of Lender; (d) fees, costs and expenses incurred by Lender in connection with forwarding to Borrower the proceeds of Loans including Lender's bank's standard wire transfer fee; (e) fees, costs, expenses and bank charges, including bank charges for returned checks, incurred by Lender in establishing, maintaining and handling lock box accounts, blocked accounts or other accounts for collection of the Collateral; and (f) fees, costs, expenses (including reasonable attorneys' fees and allocated costs of internal legal staff) of Lender and costs of settlement incurred in collecting upon or enforcing rights against the Collateral or incurred in any action to enforce this Agreement or the other Loan Documents or to collect any payments due from the Borrower or any other Loan Party under this Agreement or any other Loan Document or incurred in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement, whether in the nature of a "workout" or in connection with any insolvency or bankruptcy proceedings or otherwise. Notwithstanding the foregoing, Loan Parties obligation to reimburse Lender's costs, fees and expenses incurred in connection with the negotiation and preparation of this Agreement and the Note shall be no greater than a maximum of \$5,000.

SECTION 10.6. Indemnity. In addition to the payment of expenses pursuant to Section 10.5, whether or not the transactions contemplated hereby shall be consummated, each Loan Party agrees to indemnify, pay and hold Lender, and the officers, directors, and employees of, or consultants, auditors and other persons engaged by Lender, to evaluate or monitor the Collateral, affiliates and attorneys of Lender and such holders (collectively called the "Indemnitees") harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitee shall be designated a party thereto) that may be imposed on, incurred by, or asserted against that Indemnitee, in any manner relating to or arising out of this Agreement or the other Loan Documents, the consummation of the transactions contemplated by this Agreement, the statements contained in the commitment letters, if any, delivered by Lender, and, the use or intended use of the proceeds of any of the Loans or the exercise of any right or remedy hereunder or under the other Loan Documents (the "Indemnified Liabilities"); provided that no Loan Party shall have any obligation to an Indemnitee hereunder with respect to Indemnified Liabilities arising from the gross negligence or willful misconduct of that Indemnitee as determined by a final non-appealable (or not appealed) judgment by a court of competent jurisdiction.

SECTION 10.7. Binding Effect. This Agreement shall become effective when it shall have been executed by the Borrower and the Lender and thereafter shall be binding upon and inure to the benefit of the Borrower, the Lender and their respective successors and assigns, except that neither the Borrower nor the Lender (except as provided in Section 10.8) shall have the right to assign its rights hereunder or any interest herein without the prior written consent of the other.

SECTION 10.8. Assignments and Participations. The Lender may assign all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of the Notes held by it), whether pursuant to a sale of participations or otherwise. Lender shall promptly notify Borrower of any such assignment.

SECTION 10.9. Limitation on Agreements. All agreements between the Borrower or the Lender, whether now existing or hereafter arising and whether written or oral, are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of demand being made in respect of an amount due under any Loan Document or otherwise, shall the amount paid, or agreed to be paid, to the Lender for the use, forbearance, or detention of the money to be loaned under the Notes or any other Loan Document or otherwise or for the payment or performance of any covenant or obligation contained herein or in any other Loan Document exceed the Highest Lawful Rate. If, as a result of any circumstance whatsoever, fulfillment of or compliance with any provision hereof or of any of such Loan Documents at the time performance of such provision shall be due or at any other time shall involve exceeding the amount permitted to be contracted for, taken, reserved, charged or received by the Lender under applicable usury law, then, ipso facto, the obligation to be fulfilled or complied with shall be reduced to the limit prescribed by such applicable usury law, and if, from any such circumstance, the Lender shall ever receive interest or anything which might be deemed interest under applicable law which would exceed the Highest Lawful Rate, such amount which would be excessive interest shall be applied, in the Lender's sole discretion, to the reduction of the principal amount owing on account of the Notes or the amounts owing on other Obligations of the Loan Parties to the Lender under any Loan Document and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance of the Notes and the amounts owing on other Obligations of the Borrower to the Lender under any Loan Document, as the case may be, such excess shall be refunded to the Borrower. All sums paid or agreed to be paid to the Lender for the use, forbearance, or detention of the indebtedness of the Borrower to the Lender shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full term of such indebtedness until payment in full of the principal (including the period of any renewal or extension thereof) so that the interest on account of such indebtedness shall not exceed the Highest Lawful Rate. Notwithstanding anything to the contrary contained in any Loan Document, it is understood and agreed that if at any time the rate of interest which accrues on the outstanding principal balance of the Notes shall exceed the Highest Lawful Rate, the rate of interest which accrues on the outstanding principal balance of the Notes shall be limited to the Highest Lawful Rate, but any subsequent reductions in the rate of interest which accrues on the outstanding principal balance of the Notes shall not reduce the rate of interest which accrues on the outstanding principal balance of such Notes below the Highest Lawful Rate until the total amount of interest accrued on the outstanding principal balance of the Notes, taken in the aggregate, equals the amount of interest which would have accrued if such interest rate had at all times been in effect and not been reduced. In the event that any rate of interest under the Notes or any Loan Document is reduced due to the effect of this Section 10.9 and there is a subsequent increase in the Highest Lawful Rate, such interest rate shall, automatically without any action of the Borrower or Lender, be increased to the then applicable Highest Lawful Rate. The terms and provisions of this Section 10.9 shall control and supersede every other provision of all Loan Documents.



SECTION 10.10. Severability. In case any one or more of the provisions contained in any Loan Document to which the Borrower is a party or in any instrument contemplated thereby, or any application thereof, shall be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained therein, and any other application thereof, shall not in any way be affected or impaired thereby.

SECTION 10.11. Governing Law. This Agreement and the Note shall be governed by, and construed in accordance with, the laws of the State of Colorado applicable to contracts made and to be performed entirely within such state.

SECTION 10.12. SUBMISSION TO JURISDICTION; WAIVERS. THE BORROWER AND THE LENDER IRREVOCABLY AND UNCONDITIONALLY:

(a) SUBMITS FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE NON-EXCLUSIVE GENERAL JURISDICTION OF THE COURTS OF THE STATE OF COLORADO, THE COURTS OF THE UNITED STATES OF AMERICA FOR THE DISTRICT OF COLORADO, AND APPELLATE COURTS FROM ANY THEREOF;

(b) WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH PROCEEDING WAS BROUGHT IN AN INCONVENIENT FORUM AND AGREES NOT TO PLEAD OR CLAIM THE SAME;

(c) AGREES THAT SERVICE OF PROCESS IN ANY SUCH LEGAL ACTION OR PROCEEDING MAY BE EFFECTED BY MAILING OF A COPY THEREOF (BY REGISTERED OR CERTIFIED MAIL OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL POSTAGE PREPAID) TO THE ADDRESS SET FORTH IN SECTION 10.3 HEREOF OR AT SUCH OTHER ADDRESS OF WHICH THE OTHER PARTIES HERETO SHALL HAVE BEEN NOTIFIED IN WRITING PURSUANT TO SECTION 10.3.


(d) THE BORROWER AND THE LENDER EACH WAIVES ITS RIGHT TO JURY TRIAL WITH RESPECT TO ANY LEGAL ACTION ARISING UNDER THIS AGREEMENT.

SECTION 10.13. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.



Ventria Bioscience, Inc.,
a Delaware corporation

By: 
Its: CEO

.....
William H. Rutter

Schedule 1

Schedule 1

Schedule 2

Schedule 2

Trademark Records By Trademark

Owner	Trademark	Country	Appl. Date	, No.	Status	Agent
<i>Client</i>	<i>File Reference</i>	<i>Next Renewal Due</i>	<i>Reg. Date</i>	<i>, No.</i>	<i>Sub Status</i>	<i>Supervisor</i>

C CELLASTIM

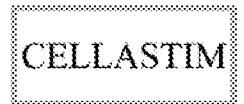
Ventria Bioscience	C CELLASTIM	United States of America	Sep 30 2005	78724062	Registered	Davis & Leonard LLP
	578	Nov 13 2017	Nov 13 2007	3336532		Mark Leonard



Class 1
 Goods Human serum albumin derived from grains for use in cell culture media for life science research and bioprocessing

CELLASTIM

Ventria Bioscience	CELLASTIM	United States of America	Sep 28 2005	78722149	Registered	Davis & Leonard LLP
	583	Nov 13 2017	Nov 13 2007	3336526	Renewed	Mark Leonard



Class 1
 Goods Human serum albumin derived from grains for use in cell culture media for life science research and bioprocessing

CURAVIVE

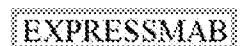
Ventria Bioscience	CURAVIVE	United States of America	Sep 3 2013	86054853	Pending	Davis & Leonard LLP
	724				Published	Mark Leonard



Class 5
 Goods Preparations for the prevention and treatment of zoonotic diseases

EXPRESSMAB

Ventria Bioscience	EXPRESSMAB	United States of America	Sep 27 2004	78490337	Registered	Davis & Leonard LLP
	585	Dec 11 2017	Dec 11 2007	3353286	8&15 due	Mark Leonard




Class 42
 Goods Providing genetic engineering of plants and plant cells that are used to produce biochemicals, namely, monoclonal antibodies; research and development for others in the field of genetically engineered plants and plant cell for producing biochemicals, namely, monoclonal antibodies; research and development of transgenic cereal grains and cells, extracts of transgenic cereal grain and monoclonal antibodies from transgenic cereal grain

INVITRIA

Ventria Bioscience	INVITRIA	United States of America	Oct 16 2006	77021997	Registered	Davis & Leonard LLP
	590	May 20 2018	May 20 2008	3431874	8&15 due	Mark Leonard




Class 1
 Goods Biochemicals, namely, genetically engineered transgenic cereal grain, extracts of transgenic cereal grain, polypeptides, proteins, and metabolite from transgenic cereal grain all for scientific research use; polypeptides, proteins, and metabolites produced by transgenic cereal grain or cells all for scientific research use; protein and polypeptide components used in the manufacture of pharmaceuticals


Ventria Bioscience **INVITRIA** United States of America Oct 16 2006 77022008 Registered Davis & Leonard LLP
 589 **May 20 2018** **May 20 2008 3431875** 8&15 due **Mark Leonard** 

Class 1
 Goods Biochemicals, namely, genetically engineered transgenic cereal grain, extracts of transgenic cereal grain, polypeptides, proteins, and metabolite from transgenic cereal grain all for scientific research use; polypeptides, proteins, and metabolites produced by transgenic cereal grain or cells all for scientific research use; protein and polypeptide components used in the manufacture of pharmaceuticals

LACROMIN


Ventria Bioscience **LACROMIN** United States of America Sep 28 2005 78722154 Registered Davis & Leonard LLP
 582 **Nov 13 2017** **Nov 13 2007 3336527** **Mark Leonard** 

Class 1
 Goods Lactoferrin derived from grains for use in cell culture media for scientific research, diagnostic use in science, and for bioprocessing, namely, for use in cell culture media for use in the production of biological materials, such as cell cultures, for commercial use


Ventria Bioscience **LACROMIN** United States of America Sep 28 2005 78722161 Registered Davis & Leonard LLP
 580 **Nov 13 2017** **Nov 13 2007 3336528** **Mark Leonard** 

Class 1
 Goods Lactoferrin derived from grains for use in cell culture media for scientific research, diagnostic use in science, and for bioprocessing, namely, for use in cell culture media for use in the production of biological materials, such as cell cultures, for commercial use

LACTIVA


Ventria Bioscience **LACTIVA** United States of America Sep 28 2005 78722156 Registered Davis & Leonard LLP
 575 **Apr 12 2021** **Apr 12 2011 3946037** **Mark Leonard** 

Class 5
 Goods Lactoferrin derived from grains, sold to manufacturers of infant formula and medical foods

Ventria Bioscience **LACTIVA** United States of America Sep 30 2005 78724057 Registered Davis & Leonard LLP
 574 **Apr 12 2021** **Apr 12 2011 3946038** **Mark Leonard** 

Class 5
 Goods Lactoferrin derived from grains, sold to manufacturers of infant formula and medical foods

LYSOBAC

Ventria Bioscience **LYSOBAC** United States of America Dec 21 2005 78778802 Registered Davis & Leonard LLP
 577 **Aug 14 2017** **Aug 14 2007 3280847** **Mark Leonard** 

Class 1
 Goods Biochemical extraction agent for use in lifesciences research, bioprocessing and diagnostics

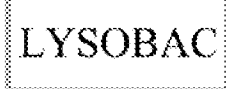
Ventria Bioscience **LYSOBAC** United States of America Dec 21 2005 78778805 Registered Davis & Leonard LLP

576

Aug 14
2017

Aug 14 2007 3280848

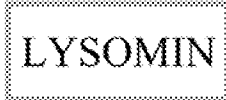
Mark
Leonard



Class 1
Goods Biochemical extraction agent for use in lifesciences research, bioprocessing and diagnostics

LYSOMIN

Ventria Bioscience **LYSOMIN** United States of America Sep 28 2005 78722158 Registered Davis & Leonard LLP
581 **Dec 15 2019** Dec 15 2009 3726701 Mark Leonard



Class 1
Goods Enzymes, namely, Lysozyme derived from grains, sold for use in the further manufacture of infant formula and human medical foods

Ventria Bioscience **LYSOMIN** United States of America Sep 30 2005 78724053 Registered Davis & Leonard LLP
579 **Dec 15 2019** Dec 15 2009 3726702 Mark Leonard



Class 5
Goods Lysozyme derived from grains for use in infant formula and medical foods

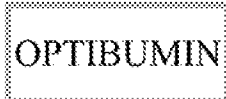
OPTIBUMIN

Ventria Bioscience **OPTIBUMIN** United States of America Jan 4 2012 85508927 Pending Davis & Leonard LLP
571 Mark Leonard



Class 5
Goods recombinant albumin for use as a biological therapeutic and as an excipient in pharmaceutical preparations, cellular therapies, gene therapies and vaccines as well as a reagent used for in vitro fertilization, medical devices, tissue sealants, tissue and cell cryopreservation, blood detoxification and biomedical research and development

Ventria Bioscience **OPTIBUMIN** United States of America Jan 4 2012 85508931 Pending Davis & Leonard LLP
570 Mark Leonard



Class 5
Goods recombinant albumin for use as a biological therapeutic and as an excipient in pharmaceutical preparations, cellular therapies, gene therapies and vaccines as well as a reagent used for in vitro fertilization, medical devices, tissue sealants, tissue and cell cryopreservation, blood detoxification and biomedical research and development

OPTIFERRIN

Ventria Bioscience **OPTIFERRIN** United States of America Jun 9 2009 77755594 Registered Davis & Leonard LLP
587 **Nov 23 2020** Nov 23 2010 3880881 Mark Leonard



Class 1
Goods Chemicals, namely, non-animal derived cell culture media supplement to promote cell growth and productivity; non-animal derived cell culture media supplement to promote cell growth and productivity for scientific, laboratory or medical research

V

Ventria Bioscience **V** United States of America Feb 4 2002 76366855 Registered Davis & Leonard LLP



591 **Mar 23 2024** **Mar 23 2004 2825849** *Renewal due* **Mark Leonard**

Class 1
Goods Biochemicals, namely, genetically engineered transgenic cereal grain, extracts of transgenic cereal grain, polypeptides, proteins, and metabolite from transgenic cereal grain all for scientific research use; polypeptides, proteins, and metabolites produced by transgenic cereal grain or cells all for scientific research use; protein and polypeptide components used in the manufacture of pharmaceuticals

Class 42
Goods Providing genetic engineering of plants and plant cells that are used to produce biochemicals, namely, polypeptide, proteins, and metabolites, all used in the manufacture of cosmetics and food; research and development for others in the field of genetically engineered plants and plant cells for producing biochemicals for use in the manufacture of cosmetics and food; research and development of transgenic cereal grains and cells, extracts of transgenic cereal grain, polypeptides, proteins, and metabolite from transgenic cereal grain

VENTRIA BIOSCIENCE

Ventria Bioscience **VENTRIA BIOSCIENCE** United States of America Dec 5 2001 76345917 Registered Davis & Leonard LLP
 592 **Mar 16 2024** **Mar 16 2004 2823818** *Renewal due* **Mark Leonard**

Disclaimers NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "BIOSCIENCE" APART FROM THE MARK AS SHOWN

Class 1
Goods Biochemicals, namely, genetically engineered transgenic cereal grain, extracts of transgenic cereal grain, polypeptides, proteins, and metabolite from transgenic cereal grain all for scientific research use; polypeptides, proteins, and metabolites produced by transgenic cereal grain or cells all for scientific research use; protein and polypeptied components used in the manufacture of pharmaceuticals

Class 42
Goods Providing genetic engineering of plants and plant cells that are used to produce biochemicals, namely, polypeptide, proteins, and metabolites, all used in the manufacture of cosmetics and food; research and development for others in the field of genetically engineered plants and plant cells for producing biochemicals for use in the manufacture of cosmetics and food; research and development of transgenic cereal grains and cells, extracts of transgenic cereal grain, polypeptides, proteins, and metabolite from transgenic cereal grain

ZAP-CHO

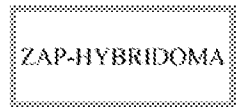
Ventria Bioscience **ZAP-CHO** United States of America Jun 9 2009 77755571 Registered Davis & Leonard LLP
 588 **Mar 16 2020** **Mar 16 2010 3760343** *Mark Leonard*



Class 1
Goods Chemicals, namely, non-animal derived cell culture media supplement to promote cell growth and productivity; non-animal derived cell culture media supplement to promote cell growth and productivity for scientific, laboratory or medical research

ZAP-HYBRIDOMA

Ventria Bioscience **ZAP-HYBRIDOMA** United States of America Jan 31 2011 85230470 Registered Davis & Leonard LLP
 573 **Aug 23 2021** **Aug 23 2011 4015873** *Mark Leonard*



Class 1
Goods Chemicals, namely, non-animal derived cell culture media supplement to promote cell growth and productivity; non-animal derived cell culture media supplement to promote cell growth and productivity for scientific, laboratory or medical research