

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM667473

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
BIMEDA, INC.		07/20/2021	Corporation: DELAWARE
RECEIVING PARTY DATA			
Name:	ALLIED IRISH BANKS, P.L.C.,		
Street Address:	10 Molesworth Street		
City:	Dublin 2		
State/Country:	IRELAND		
Entity Type:	Public Limited Company: IRELAND		
PROPERTY NUMBERS Total: 9			
Property Type	Number	Word Mark	
Registration Number:	2842790	EXODUS	
Registration Number:	3273238	LINCOMED	
Registration Number:	3541054	LINXMED-SP	
Registration Number:	3210017	NEOMED 325	
Registration Number:	2969637	PENAQUA SOL-G	
Registration Number:	2816856	PRO-PEN-G	
Registration Number:	3886305	SMZ-MED	
Registration Number:	3109756	SPECTOGARD	
Registration Number:	1732411	SUSTAIN III	
CORRESPONDENCE DATA			
Fax Number:	7032058050		
<i>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.</i>			
Email:	mbeyene@bskb.com, mailroom@bskb.com		
Correspondent Name:	Birch Stewart Kolasch & Birch LLP		
Address Line 1:	8110 Gatehouse Road, Suite 100 East		
Address Line 4:	Falls Church, VIRGINIA 22042		
ATTORNEY DOCKET NUMBER:	5119-0174M		
NAME OF SUBMITTER:	Michael T. Smith		
SIGNATURE:	/Michael T. Smith/		

OP \$240.00 2842790

DATE SIGNED:

08/13/2021

Total Attachments: 32

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SECURITY AGREEMENT

This Agreement, dated as of July 20, 2021, is executed and delivered by BIMEDA BIOLOGICALS INC., a Texas corporation ("Bimeda Biologicals"), BIMEDA INC., a Delaware corporation ("Bimeda"), CONSTANT IRWINDALE INC., a Delaware corporation ("Constant Irwindale"), and CROSS VETPHARM HOLDINGS, INC., a Delaware corporation ("CVHI"); together with Bimedia Biologicals, Bimeda and Constant Irwindale, the "Debtors" and each a "Debtor", in favor of ALLIED IRISH BANKS, P.L.C., a public limited company registered in Ireland with company number 24173, in its capacity as the security trustee under the Facilities Agreement referred to below (in such capacity, the "Security Trustee").

WHEREAS Bimeda Holdings Limited, a company incorporated in Ireland with company number 125354 (the "Parent"), certain subsidiaries of the Parent named therein as original borrowers, certain subsidiaries of the Parent named therein as original guarantors, including the Debtors, the financial institutions named therein as original lenders, Allied Irish Banks, p.l.c., as coordinating bank for the other Finance Parties, the Security Trustee, and the financial institutions named therein as hedge counterparties, have entered into a Multicurrency Term and Revolving Facilities Agreement dated July __, 2021 (as amended, modified, renewed or extended from time to time, the "Facilities Agreement"); and

WHEREAS it is a requirement of the Facilities Agreement that the Debtors enter into this Agreement and grant to the Security Trustee, for itself and for the ratable benefit of the other Finance Parties, the security interests hereinafter provided to secure the Obligations described below;

NOW, THEREFORE, in consideration of the above premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Debtors, the Debtors hereby agree with the Security Trustee as follows:

1. Grant of Security. To secure the prompt and complete payment, observance and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, the Debtors, jointly and severally, hereby collaterally assign and pledge, and grant a security interest and lien in and to, the Collateral, in each case to the Security Trustee for itself and on behalf of and for the ratable benefit of the other Finance Parties.

2. Intellectual Property Collateral. (i) The Debtors shall execute and deliver to the Security Trustee, concurrently with the execution of this Agreement and thereafter whenever reasonably requested by the Security Trustee, such IP Security Agreements as the Security Trustee may reasonably request, and record such IP Security Agreements with the U.S. Copyright Office or the U.S. Patent and Trademark Office and take such other action, in each case as the Security Trustee may reasonably request, to perfect the Security Trustee's security interest in such Intellectual Property Collateral. (ii) Notwithstanding any other provision of this Agreement or any IP Security Agreement, (A) no representation, warranty, covenant, obligation, agreement or other provision (collectively, "Subject Provisions") herein or therein, except the grant of a security interest effected hereby and thereby and any Subject Provisions relating solely to such grant, shall be deemed to refer to or include within its scope any Intellectual Property Collateral other than the Intellectual Property Collateral listed on the relevant schedules of the IP Security Agreements, and (B) the Intellectual Property Collateral referred to in the IP Security Agreements shall be subject to a security interest but not to any collateral assignment.

3. Representations and Warranties. Each Debtor represents and warrants to the Security Trustee as follows:

(a) Name; Location; Taxpayer ID Number. The correct corporate name, chief executive office, jurisdiction of organization, form of organization, and federal taxpayer identification number of each Debtor is set forth in Schedule 3(a) attached hereto. None of the Debtors conducts or, during the five-year period immediately preceding the date of this Agreement, has conducted, business under any trade name or other fictitious name other than those set forth on Schedule 3(a) attached hereto. Each Debtor's chief executive office and jurisdiction of organization have been in the locations set forth on Schedule 3(a) for the five-year period preceding the date hereof.

(b) Organization; Power; Qualification. Each Debtor is duly organized, validly existing and in good standing under the laws of the jurisdiction of organization set forth on Schedule 3(a), has the power and authority to own its properties and to carry on its business as now being and hereafter proposed to be conducted and is duly qualified and authorized to do business as a foreign corporation in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization.

(c) Authorization. Each Debtor has the right and power, and has taken all necessary action to authorize, execute, deliver and perform this Agreement in accordance with its terms. This Agreement, the Financing Statements and the instruments, agreements and other documents to which such Debtor is a party and which evidence or relate in any way to the Obligations have been duly executed and delivered by the authorized officers of such Debtor and each is a legal, valid and binding obligation of such Debtor enforceable against such Debtor in accordance with its terms.

(d) Compliance of Agreement with Laws, etc. The execution, delivery and performance of this Agreement by each Debtor in accordance with its terms, including the granting of the Security Interest, do not and will not, by the passage of time, the giving of notice or otherwise:

(i) Require any Governmental Approval or violate any Applicable Law relating to such Debtor;

(ii) Conflict with, result in a breach of or constitute a default under, the articles or certificate of incorporation (or similar organizational documents) or bylaws of such Debtor, or any indenture, instrument or other agreement to which such Debtor is a party or by which it or any of its properties may be bound; or

(iii) Result in, or require the creation or imposition of, any Lien upon or with respect to any property in which such Debtor now or may hereafter have rights, other than the liens created in favor of the Security Trustee hereunder.

(e) Liens. None of the Collateral or other properties of any Debtor is, as of the date hereof, subject to any Lien, except Permitted Liens. No financing statement under the Uniform Commercial Code of any jurisdiction which names any Debtor as debtor or covers any of the Collateral or any other property of any Debtor, or any other notice filed in the public records indicating the existence of a Lien thereon, has been filed and is still effective in any state or other jurisdiction, and no Debtor has signed any such financing statement or notice or any security agreement authorizing any Person to file any such financing statement or notice except, in each case, financing statements or notices filed to perfect Permitted Liens.

(f) Chief Executive Office. All books and records relating to each Debtor's Collateral are located at the addresses set forth on Schedule 3(f).

(g) Places of Business. The addresses of all of the places of business of each Debtor are set forth on Schedule 3(g) attached hereto.

(h) Inventory. All Inventory is in good condition, meets all standards imposed by any governmental agency, or department or division thereof, having regulatory authority over such goods, their use or sale, and is currently either usable or salable in the normal course of each Debtor's business. All Inventory is located on one or more of the places set forth on Schedule 3(h) or is in transit to one of such locations.

(i) Equipment. All Equipment of each Debtor is in good order and repair and is located on or at one or more of the places set forth on Schedule 3(h).

(j) Security Interest. It is the intent of the Debtors that this Agreement create a valid and (to the extent required hereby) perfected first-priority security interest in the Collateral, securing the payment of the Obligations, and all filings and other actions required hereby to perfect such security interest under the Uniform Commercial Code as enacted in any relevant jurisdiction have been duly taken.

(k) Title to Properties. Each Debtor has (or will have at the time it acquires rights in Collateral hereafter acquired or arising), subject to Permitted Liens, good, marketable and legal title to its properties and assets, including but not limited to those reflected on the most recent balance sheet of such Debtor provided to the Security Trustee.

(l) No Disputes. No dispute, right of setoff, counterclaim or defenses exist with respect to all or any part of the Collateral.

(m) Rights to Payment. Except as any Debtor may otherwise advise the Security Trustee in writing, each Account, Chattel Paper, Document, General Intangible and Instrument constituting or evidencing Collateral is the valid, genuine and legally enforceable obligation of the Account Debtor or obligor named therein or in the Debtors' records pertaining thereto, unless the invalidity, falsity or unenforceability of any such Collateral, individually or in the aggregate, would not have a material adverse effect on the Debtors' business or operations.

(n) Intellectual Property. Except as set forth in Schedule 3(n), as of the date of this Agreement, the Debtors do not own, possess or use under any licensing arrangement any patents, copyrights, trademarks, service marks or trade names (except for nonexclusive licenses of such property for which licenses are readily available on commercially reasonable terms), nor is there currently pending before any governmental body any application for registration of any patent, copyright, trademark, service mark or trade name, in each case that are Relevant Products.

(o) Deposit Accounts. As of the date of this Agreement, the names and addresses of all financial institutions at which any Debtor maintains its Deposit Accounts, and the account numbers and account names of such Deposit Accounts, are set forth in Schedule 3(o).

(p) Investment Property. As of the date of this Agreement, all securities accounts of the Debtors and other Investment Property of the Debtors are set forth in Schedule 3(p).

(q) Commercial Tort Claims. As of the date of this Agreement, no Debtor has any Commercial Tort Claims except as set forth in Schedule 3(q).

(r) Control Agreements. No Control Agreements exist with respect to any Collateral held by the Debtors other than any Control Agreements in favor of the Security Trustee.

4. Continued Priority of Security Interest.

(a) The Security Interest shall at all times be valid, perfected and of first priority (to the extent required hereby) and enforceable against the Debtors and all other Persons, in accordance with the terms of this Agreement, as security for the Obligations.

(b) The Debtors shall, at their sole cost and expense, take all action that may be necessary, to the extent reasonably requested by the Security Trustee, or that the Security Trustee may hereafter reasonably request, so as to maintain the validity, perfection, enforceability and priority of the Security Interest in the Collateral in conformity with the requirements of Section 4(a), or to enable the Security Trustee to exercise or enforce its rights hereunder, including without limitation:

(i) Paying all taxes, assessments and other claims lawfully levied or assessed on any of the Collateral, except to the extent that such taxes, assessments and other claims constitute Permitted Liens;

(ii) At the request of the Security Trustee, obtaining landlords', mortgagees', mechanics', bailees', warehousemen's or processors' releases, subordinations or waivers with respect to any or all of the Collateral, in form and substance satisfactory to the Security Trustee;

(iii) At the request of the Security Trustee, obtaining from any bank, securities intermediary or other party holding any material item of Collateral, Control Agreements in form satisfactory to the Security Trustee;

(iv) Delivering to the Security Trustee, endorsed or accompanied by such instruments of assignment as the Security Trustee may specify, any and all Chattel Paper, Instruments, Documents, letters of credit and all other advices of guaranty and documents evidencing or forming a part of the Collateral; *provided that*, the Debtors shall not be required to deliver such items of Collateral to the Security Trustee so long as the aggregate value of all such Collateral is less than or equal to \$300,000, but if at any time the aggregate value of such Collateral exceeds \$300,000, the Debtors shall promptly deliver to the Security Trustee items with an aggregate value equal to the amount in excess of \$300,000;

(v) At the request of the Security Trustee, marking conspicuously each Document included in the Collateral and marking all Chattel Paper and each of its records pertaining to the Collateral, with a legend, in form and substance satisfactory to the Security Trustee, indicating that such Document, Chattel Paper, or Collateral is subject to the Security Interest; *provided that*, the Debtors shall not be required to mark such items of Collateral so long as the aggregate value of all such Collateral is less than or equal to \$300,000, but if at any time the aggregate value of such Collateral exceeds \$300,000, the Debtors shall mark items with an aggregate value equal to the amount in excess of \$300,000 as provided in this paragraph; and

(vi) Executing and delivering financing statements, pledges, designations, mortgages, deeds to secure debt, deeds of trust, hypothecations, notices and assignments, in each case in form and substance satisfactory to the Security Trustee, relating to the creation, validity, perfection, priority or continuation of the Security Interest under the Uniform Commercial Code or other Applicable Law.

(c) The Security Trustee is hereby authorized to execute and file in all necessary and appropriate jurisdictions (as determined by the Security Trustee) one or more financing or continuation statements (or any other document or instrument referred to in Section 4(b)(vi) above) or amendments thereto in the name of and without further notice to any Debtor. Without limiting the generality of the foregoing, each Debtor authorizes the Security Trustee to file financing statements designating the collateral as "all personal property" or "all assets" of that Debtor, or words of any similar or less comprehensive effect.

(d) The Debtors shall mark their books and records as may be necessary or appropriate to evidence, protect and perfect the Security Interest and shall cause their financial statements to reflect the Security Interest.

5. Covenants Regarding Accounts and Certain Other Collateral

(a) Anything herein to the contrary notwithstanding, (i) each Debtor shall remain liable under all Accounts, Chattel Paper, General Intangibles and other items of Collateral to the extent set forth therein to perform its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Security Trustee of its rights hereunder shall not release any Debtor from any of its duties or obligations under the Accounts or any contract or agreement that constitutes part of the Collateral (except to the extent that such exercise prevents such Debtor from satisfying such duties and obligations), and (iii) the Security Trustee shall not have any duties, obligations or liability under any Accounts, Chattel Paper, General Intangibles or other items included in the Collateral by reason of this Agreement, nor shall the Security Trustee be obligated to perform any of the duties or obligations of any Debtor thereunder, to make any payment, to make any inquiry as to the nature or sufficiency of any payment received by any Debtor or the sufficiency of any performance by any Account Debtor or other obligor on any Collateral, or to take any action to collect or enforce any claim for payment assigned hereunder.

(b) Each Debtor shall exercise, in a manner consistent with prudent business practice, its rights under each Account, Chattel Paper, Document, General Intangible and Instrument constituting or evidencing Collateral, and shall, upon request of the Security Trustee, make to the Account Debtor or other obligor on such Collateral such demands and requests for information and reports or for action as such Debtor is entitled to make under the agreements or contracts related to such Collateral.

(c) Each Debtor shall furnish to the Security Trustee promptly upon receipt thereof copies of all material notices, requests and other documents received by such Debtor under or pursuant to any contracts constituting Collateral, except to the extent that such disclosure is prohibited by the terms of a confidentiality agreement between such Debtor and the other party to any such contract.

(d) No Debtor shall, without the consent of the Security Trustee (such consent not to be unreasonably withheld), except in the ordinary course of business, cancel, amend, modify, subordinate or terminate any contract, Account, Document, Chattel Paper, General Intangible or

Instrument constituting Collateral or consent to or accept any cancellation, amendment, modification, subordination or termination thereof; or give any consent, waiver or approval thereunder, or take any other action in connection with any such item of Collateral that would impair the value of the interest or rights of such Debtor thereunder or that would impair the interest or rights of the Security Trustee.

6. Covenants Regarding Collateral Generally.

(a) Verification. The Security Trustee shall have the right at any time and from time to time, in the name of such Security Trustee or in the name of any Debtor, to verify the validity, amount or any other matter relating to any Account by mail, telephone or otherwise.

(b) Delivery of Instruments. In the event any Collateral becomes evidenced by a promissory note, trade acceptance or any other Instrument, and such promissory note, trade acceptance or Instrument would cause the aggregate value of all Collateral of the types specified in Section 4(b)(iv) to exceed \$300,000, the applicable Debtor will immediately thereafter deliver such Instrument (or, at such Debtor's option, any other Collateral of the type specified in Section 4(b)(iv) in value equal to the amount by which the aggregate value of all such Collateral exceeds \$300,000) to the Security Trustee, appropriately endorsed to the Security Trustee.

(c) Defense of Title. Each Debtor shall at all times be the sole owner of each and every item of its Collateral and shall defend, at its sole cost and expense, its title in and to, and the Security Interest in, the Collateral against the claims and demands of all Persons, except, in each case, Permitted Liens.

(d) Maintenance of Collateral. The Debtors shall maintain all physical property that constitutes Collateral in good and workable condition, with reasonable allowance for wear and tear, and shall exercise proper custody over all such property.

(e) Insurance. Each Debtor shall at all times maintain insurance on its Collateral against loss or damage by fire, theft, burglary, pilferage, loss in transit and such other hazards and risks as the Security Trustee shall reasonably specify, in amounts and under policies issued by such Debtor's present insurers or other insurers acceptable to the Security Trustee. All premiums on such insurance shall be paid by the Debtor, and certified copies of the policies, or other evidence of insurance acceptable to the Security Trustee, shall be delivered to the Security Trustee promptly upon the Security Trustee's request. No Debtor will use or permit the Collateral to be used unlawfully or outside of any insurance coverage. All insurance policies required under this Section shall contain loss payable clauses on New York standard loss payee forms or other forms satisfactory to the Security Trustee, naming the Security Trustee as loss payee, and providing that:

(i) All proceeds thereunder shall be payable directly to the Security Trustee;

(ii) No such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy;

(iii) Such policies and loss payable clauses may not be canceled, amended or terminated with respect to the Security Trustee unless at least thirty (30) days' prior written notice is given to the Security Trustee; and

(iv) There shall be no recourse against the Security Trustee for payment of premiums or other amounts with respect thereto.

Any proceeds of insurance referred to in this Section which are paid to the Security Trustee shall be applied to the payment or prepayment of the Obligations in accordance with Section 13 hereof.

(f) Location of Office. Each Debtor's jurisdiction of organization, chief executive office, principal place of business, and its books and records relating to the Collateral will continue to be kept at the address set forth in Schedule 3(a) and no Debtor will change the location of such office and place of business or such books and records without giving the Security Trustee thirty (30) days' prior written notice thereof.

(g) Location of Collateral. All Inventory, other than Inventory in transit to any such location, and all Equipment will at all times be kept by the Debtors at the locations set forth on Schedule 3(h), and shall not, without the prior written consent of the Security Trustee, be removed therefrom except in connection with sales thereof in the ordinary course of business.

(h) Change of Name, Structure, Etc. Each Debtor will give at least 30 days' prior written notice to the Security Trustee of: (i) any change in its name; (ii) any changes in its identity or structure in any manner which might make any financing statement filed hereunder incorrect or misleading; (iii) any change in its registration as an organization (or any new such registration); and (iv) any change in its jurisdiction of organization.

(i) Records Relating to Collateral. Each Debtor will at all times keep complete and accurate records of its Inventory and Equipment, itemizing and describing the kind, type and quantity of Inventory and Equipment and such Debtor's cost therefor and a current price list for any Inventory, and keep complete and accurate records of all other Collateral.

(j) Inspection. The Security Trustee (by any of its officers, employees or agents) shall have the right, to the extent that the exercise of such right shall be within the control of each Debtor, following advance written notice from the Security Trustee, at any time or times during normal business hours: (i) to inspect the Collateral, all files relating thereto and the premises upon which any of the Collateral is located, (ii) to discuss such Debtor's affairs and finances, insofar as the same are reasonably related to the rights of the Security Trustee hereunder with any Person, to verify the amount, quantity, value and condition of, or any other matter relating to, any of the Collateral and (iii) to review, audit and make extracts from all records and files related to any of the Collateral.

(k) Other Information. Each Debtor shall furnish to the Security Trustee such other information with respect to the Collateral, including, but not limited to, physical listings of Inventory and Equipment and aging or other reports concerning Accounts, as the Security Trustee may request from time to time.

(l) Payments Directly to Security Trustee. The Security Trustee may at any time and from time to time after the occurrence of a Default or Event of Default notify, or request the Debtors to notify, in writing or otherwise, any Account Debtor or other obligor with respect to any one or more of the Accounts or other Collateral to make payment to the Security Trustee or any agent or designee of the Security Trustee directly, at such address as may be specified by the Security Trustee. If, notwithstanding the giving of any notice, any Account Debtor or other such obligor shall make payment to a Debtor, such Debtor shall hold all such payments it receives in trust for the Security Trustee, without commingling the same with other funds or property of or

held by such Debtor, and shall promptly deliver the same to the Security Trustee or any such agent or designee immediately upon receipt by such Debtor in the identical form received, together with any necessary endorsements.

(m) Merger, Consolidation and Sale of Assets. No Debtor shall merge or consolidate with any other Person or sell, lease or transfer or otherwise dispose of all or a substantial portion of its assets to any Person or sell any Collateral outside the ordinary course of its business; provided, however, the Debtors may dispose of Inventory in the ordinary course of its business so long as no Event of Default shall have occurred. The inclusion of "proceeds" of the Collateral under the Security Interest shall not be deemed a consent by the Security Trustee to any other sale or other disposition of any part or all of the Collateral.

(n) Proceeds of Collateral. To the extent required under the Facilities Agreement, each Debtor shall account fully and faithfully for, and promptly pay or turn over to the Security Trustee, proceeds in whatever form received in disposition in any manner of any of the Collateral. To the extent practicable, the Debtors shall at all times keep the Collateral and proceeds thereof separate and distinct from other property of the Debtors and shall keep accurate and complete records of the Collateral and proceeds thereof.

(o) Deposit Accounts; Securities Accounts; Commercial Tort Claims. Each Debtor will give the Security Trustee prompt notice of (i) the establishment of any new Deposit Account and of any new securities account established by such Debtor with respect to any Investment Property held by such Debtor, and (ii) the acquisition of any Commercial Tort Claims.

(p) Intellectual Property Collateral. Each Debtor will (i) promptly give the Security Trustee notice of any rights such Debtor may obtain to any new patentable inventions, copyrightable works or other new Intellectual Property Collateral which such Debtor intends to register, prior to the filing of any application for registration thereof; (ii) without limiting the generality of clause (i), not register with the U.S. Copyright Office any unregistered copyrights (whether in existence on the date hereof or thereafter acquired, arising, or developed) unless such Debtor provides the Security Trustee with written notice of its intent to register such copyrights not less than 30 days prior to the date of the proposed registration.

7. Additional Affirmative Covenants. So long as any Obligations remain unpaid or unperformed, each Debtor shall:

(a) Preservation of Corporate Existence and Similar Matters. Preserve and maintain its corporate existence, rights, franchises, licenses and privileges in the jurisdiction of its incorporation and qualify and remain qualified as a foreign corporation and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization.

(b) Compliance with Applicable Law. Comply with all Applicable Law, including the obtaining of all Governmental Approvals, relating to such Debtor.

(c) Maintenance of Property. (i) Protect and preserve all its properties, (ii) make or cause to be made all needed and appropriate repairs, renewals, replacements and additions to such properties, so that the business carried on in connection therewith may be properly and advantageously conducted at all times, and (iii) maintain the Inventory and Equipment as personalty and not permit any such Collateral to become a fixture.

(d) Payment of Taxes and Claims. Pay or discharge when due: (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or upon any properties belonging to it, and (ii) all lawful claims of materialmen, mechanics, carriers, warehousemen and landlords for labor, materials, supplies and rentals which, if unpaid, might become a Lien on any properties of such Debtor or any of its Subsidiaries; except that this Section shall not require the payment or discharge of any such tax, assessment, charge, levy or claim which is being contested in good faith by appropriate proceedings which operate to suspend the collection thereof and for which adequate reserves have been established on the appropriate books.

(e) Financial Reports. Furnish to the Security Trustee such financial reports as are required by the Facilities Agreement.

(f) Other Reports. Furnish to the Security Trustee such other reports as are required by the Facilities Agreement.

(g) Notice of Litigation and Other Matters. Furnish to the Security Trustee prompt notice of: (i) the commencement of all proceedings and investigations by or before any governmental or nongovernmental body and all actions and proceedings in any court or other tribunal or before any arbitrator against or in any other way relating adversely to, or adversely affecting, any Debtor or any Debtor's assets, including the Collateral, (ii) any amendment to the articles or certificate of incorporation or bylaws of any Debtor, (iii) any change in the management of any Debtor and any change in the business, assets, liabilities, financial condition, results of operations or business prospects of any Debtor which has had or may have any material adverse effect on the business operations or financial condition of such Debtor, and (iv) the occurrence of any Default or Event of Default.

8. Liens. So long as any of the Obligations remain unpaid or unperformed, no Debtor shall create, assume, incur or permit or suffer to exist or to be created, assumed or incurred, any Lien upon any of its properties or assets of any character whether now owned or hereafter acquired other than Permitted Liens, or execute or permit to be filed in any public office any financing statement or statements naming such Debtor as debtor, other than in respect of Permitted Liens.

9. The Security Trustee Appointed Attorney-in-Fact. Each Debtor hereby irrevocably appoints the Security Trustee such Debtor's attorney-in-fact, with full authority in the place and stead of such Debtor and in the name of such Debtor or otherwise, from time to time in the Security Trustee's discretion to take any action and to execute any instrument or document which the Security Trustee may deem necessary or advisable to accomplish the purposes of this Agreement and to exercise any rights and remedies the Security Trustee may have under this Agreement or Applicable Law, including, without limitation: (i) to obtain and adjust insurance required to be maintained pursuant to Section 6(e) hereof, (ii) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral including any Account; (iii) to receive, endorse, and collect any drafts or other Instruments, Documents and Chattel Paper, in connection with clause (i) or (ii) above; (iv) to sell or assign any Account upon such terms, for such amount and at such time or times as the Security Trustee deems advisable, to settle, adjust, compromise, extend or renew any Account or to discharge and release any Account; and (v) to file any claims or take any action or institute any proceedings which the Security Trustee may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Security Trustee with respect to any of the Collateral. The power-of-attorney granted hereby shall be irrevocable and coupled with an interest.

10. The Security Trustee May Perform. If any Debtor fails to perform any agreement contained herein, the Security Trustee may, without notice to the Debtors, itself perform, or cause performance of, such agreement, and the expenses of the Security Trustee incurred in connection therewith shall be payable by the Debtors under Section 15 hereof.

11. The Security Trustee's Duties. The powers conferred on the Security Trustee hereunder are solely to protect its interest in the Collateral and shall, not impose any duty upon the Security Trustee to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Security Trustee shall have no duty as to any Collateral. The Security Trustee shall be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Security Trustee accords its own property; it being understood that the Security Trustee shall be under no obligation to take any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral, but may do so at its option, and all reasonable expenses incurred in connection therewith shall be for the sole account of the Debtors and shall be added to the Obligations.

12. Remedies. The Security Trustee may take any or all of the following actions upon the occurrence of an Event of Default hereunder.

(a) Acceleration. Upon the occurrence of an Event of Default, the right to accelerate the Obligations shall be governed by the Facilities Agreement.

(b) Inventory and Equipment.

(i) Entry. The Security Trustee may enter upon any premises on which Inventory or Equipment may be located and, without resistance or interference by a Debtor, take physical possession of any or all thereof and maintain such possession on such premises or move the same or any part thereof to such other place or places as the Security Trustee shall choose.

(ii) Assembly. Each Debtor shall, upon request of and without charge to the Security Trustee, assemble the Inventory and Equipment and maintain or deliver it into the possession of the Security Trustee or any agent or representative of the Security Trustee at such place or places as the Security Trustee may designate and as are reasonably convenient to both the Security Trustee and such Debtor.

(c) Use of Premises and Patents. The Security Trustee may:

(i) without notice, demand or other process, and without payment of any rent or any other charge enter the premises of any Debtor and, without breach of the peace, until the Security Trustee completes the enforcement of its rights in the Collateral, take possession of such premises or place custodians in exclusive control thereof, remain on such premises and use the same and any of such Debtor's equipment, for the purpose of (A) completing any work in process, preparing any Inventory and Equipment for disposition and disposing thereof and (B) collecting any Account; and

(ii) in the exercise of the rights of the Security Trustee under this Agreement, without payment or compensation of any kind, use any and all trademarks, trade styles, trade names, patents, patent applications, licenses, franchises and the like to the extent of the rights of any Debtor therein, and such Debtor grants a license to the Security Trustee for this purpose.

(d) Cash Collateral. The Security Trustee may apply any cash Collateral to the payment of the Obligations in any order in which the Security Trustee may elect or use such cash in connection with the exercise of any of its other rights hereunder.

(e) Lock Boxes. The Security Trustee may establish or cause to be established one or more lock boxes or other arrangement for the deposit of proceeds of Accounts, and, in such case, the Debtors shall cause to be forwarded to the Security Trustee at the Security Trustee's office, on a daily basis, collection reports in form and substance satisfactory to the Security Trustee.

(f) Rights as a Secured Creditor. The Security Trustee may exercise all of the rights and remedies of a secured party under the Uniform Commercial Code and under any other Applicable Law, including, without limitation, the right, without notice except as specified below and with or without taking possession thereof, to sell the Collateral or any part thereof in one or more parcels at public or private sale at any location chosen by the Security Trustee, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Security Trustee may deem commercially reasonable. Each Debtor agrees that, to the extent notice of sale shall be required by law, at least fifteen (15) days' notice to such Debtor 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, but notice given in any other reasonable manner or at any other reasonable time shall constitute reasonable notification. The Security Trustee shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Security Trustee 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.

(g) Waiver of Marshaling. Each Debtor hereby waives any right to require any marshaling of assets and any similar right.

(h) Appointment of Receiver. The Security Trustee shall be entitled to the appointment of a receiver, without notice of any kind whatsoever and without regard to the adequacy of any security for the Obligations or the solvency of any party bound for its payment, to take possession of all or any portion of the Collateral and/or the business operations of any Debtor and to exercise such power as the court shall confer upon such receiver.

(i) Accounts. The Security Trustee shall have the exclusive right to assert, either directly or on behalf of any Debtor, any and all rights and claims such Debtor may have under any Accounts or other Collateral as the Security Trustee may deem proper and to receive and collect any and all Accounts, rent, fees, damages, awards and other monies arising thereunder or resulting therefrom and to apply the same on account of any of the Obligations.

13. Application of Proceeds. All proceeds from each sale of, or other realization upon, all or any part of the Collateral following an Event of Default shall be applied or paid over as follows:

(a) First: to the payment of all costs and expenses incurred in connection with such sale or other realization, including attorneys' fees and expenses if the Security Trustee endeavored to collect the Obligations by or through an attorney at law;

(b) Second: to the payment of the interest, premium and fees due upon any of the Obligations in any order which the Security Trustee may elect;

(c) Third: to the payment of the principal due upon any of the Obligations in any order which the Security Trustee may elect;

(d) Fourth: to the payment of other sums secured hereunder or required to be paid by the Debtors in any order which the Security Trustee may elect;

(e) Fifth: to the extent permitted by applicable law, to be set aside by the Security Trustee as adequate security in its judgment for the payment of sums which would have been paid by application under clauses First through Fourth above to the Security Trustee, arising out of an obligation or liability with respect to which the Debtors have agreed to indemnify the Security Trustee, but which sums are not yet due and payable or liquidated; and

(f) Sixth: the balance (if any) of such proceeds shall be paid to the Debtors or to whomsoever may be legally entitled thereto.

The Security Trustee shall, if so directed by the Majority Lenders, vary the order set out in clauses (a) to (e) above. The Debtors shall remain liable and shall pay, on demand, any deficiency remaining in respect of the Obligations, together with interest thereon at a rate per annum equal to the default interest rate then payable under the Facilities Agreement, which interest shall constitute part of the Obligations.

14. Rights Cumulative. The rights and remedies of the Security Trustee under this Agreement, the Facilities Agreement and each other document or instrument evidencing or securing the Obligations shall be cumulative and not exclusive of any rights or remedies which it would otherwise have, including, but not limited to, those rights afforded by the Uniform Commercial Code and other Applicable Laws. In exercising its rights and remedies the Security Trustee may be selective and no failure or delay by the Security Trustee in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

15. Expenses. The Debtors will pay, jointly or severally, within three Business Days of demand, all out-of-pocket costs, fees and expenses (a) incurred by the Security Trustee, and by any Receiver or Delegate of the Security Trustee, in connection with the negotiation, preparation, execution, delivery and administration of this Agreement and any document or instrument evidencing any of the Obligations, and the preparation, negotiation, execution and delivery of any waiver, amendment or consent by the Finance Parties relating to this Agreement or the Obligations, whenever the same shall be executed and delivered, including all appraisers' fees, search fees, recording fees, intangibles and stamp taxes payable by the Security Trustee, and by any Receiver or Delegate of the Security Trustee, with respect to the Obligations and this Agreement and the Security Interest created hereby and the fees and disbursements of counsel for the Security Trustee and any Receiver or Delegate, and of each local counsel retained by the Security Trustee and any Receiver or Delegate; and (b) incurred by the Secured Parties in connection with (i) the restructuring, refinancing or "workout" of the transactions contemplated hereby and of the Obligations, including, without limitation, the fees, out-of-pocket expenses and other disbursements of counsel to the Secured Parties, (ii) the collection or enforcement of the Obligations including fees and disbursements of counsel to the Secured Parties if such collection or enforcement is done through or by an attorney, and (iii) the exercise by the Secured Parties of any right or remedy granted to them under this Agreement whether or not a Default or Event of Default has occurred, including, without limitation, the expenses incurred by the Security Trustee in connection with the collection of Accounts directly from Account Debtor. The agreements in this Section shall survive the termination of this Agreement.

16. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Debtors herefrom shall in any event be effective unless the same shall be in writing and signed by the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

17. Notices. All notices shall be given and deemed effective in accordance with the notice provisions contained in the Facilities Agreement.

18. Continuing Security Interest. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until indefeasible payment in full of the Obligations, (ii) be binding upon the Debtors, their successors and assigns and (iii) inure the benefit of the Security Trustee, and its successors and assigns. The Debtors' successors and assigns shall include, without limitation, a receiver, trustee or Debtor-in-possession thereof or therefore.

19. Applicable Law; Severability. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Minnesota. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under Applicable Law, such provisions shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

20. Litigation/Waivers.

(a) THE SECURITY TRUSTEE (BY ITS ACCEPTANCE HEREOF) AND THE DEBTORS ACKNOWLEDGE AND AGREE THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE RELATIONSHIP OF THE DEBTORS AND THE SECURITY TRUSTEE ESTABLISHED HEREBY AND THE DOCUMENTS AND INSTRUMENTS EVIDENCING THE OBLIGATIONS WOULD BE BASED UPON DIFFICULT AND COMPLEX ISSUES. ACCORDINGLY, EACH OF THE SECURITY TRUSTEE (BY ITS ACCEPTANCE HEREOF) AND EACH DEBTOR HEREBY WAIVES ITS RESPECTIVE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT OR TRIBUNAL IN WHICH AN ACTION MAY BE COMMENCED BY OR AGAINST THE DEBTORS OR THE SECURITY TRUSTEE ARISING OUT OF THIS AGREEMENT, THE OBLIGATIONS OR ANY OTHER DOCUMENT EXECUTED AND DELIVERED IN CONNECTION HERewith OR THEREWITH OR IN CONNECTION WITH THE COLLATERAL OR THE SECURITY INTEREST THEREIN OR BY REASON OF ANY OTHER CAUSE OR DISPUTE WHATSOEVER BETWEEN ANY DEBTOR OR ANY OTHER PERSON AND THE SECURITY TRUSTEE OF ANY KIND OR NATURE.

(b) Each Debtor waives, to the fullest extent permitted by law, (i) any right of redemption with respect to the Collateral, whether before or after sale hereunder; (ii) any right to require the Security Trustee or the other Finance Parties (A) to proceed against any Person, (B) to exhaust any other collateral or security for any of the Obligations, (C) to pursue any remedy in the Security Trustee's or any of the other Finance Parties' power, or (D) to make or give any presentments, demands for performance, notices of nonperformance, protests, notices of protests or notices of dishonor in connection with any of the Collateral; and (iii) all claims, damages, and demands against the Security Trustee or the other Finance Parties arising out of the repossession, retention, sale or application of the proceeds of any sale of the Collateral.

(c) Each Debtor agrees that at any time and from time to time, without notice to or the consent of such Debtor, without incurring responsibility to such Debtor, and without impairing or releasing the security interests provided for herein or otherwise impairing the rights of the Security Trustee hereunder, all as the Finance Parties may deem advisable: (i) the time, manner, place or terms of any payment under the Finance Documents may be extended or changed by an amendment, modification or renewal of the Finance Documents or otherwise; (ii)

the time for any Obligor's performance of or compliance with any term, covenant or agreement on its part to be performed or observed under the Finance Documents may be extended, or such performance or compliance waived, or failure in or departure from such performance or compliance consented to, all in such manner and upon such terms as the Finance Parties may deem proper; (iii) the Finance Parties may discharge or release, in whole or in part, any guarantor or any other Person liable for the payment and performance of all or any part of the Obligations, and may permit or consent to any such action or any result of such action, and shall not be obligated to demand or enforce payment upon any of the Obligations, nor shall the Finance Parties be liable to any Debtor for any failure to collect or enforce payment of the Obligations or to realize on any other collateral therefor; (iv) in addition to the Collateral, the Finance Parties may take and hold other security (legal or equitable) of any kind, at any time, as collateral for the Obligations, and may, from time to time, in whole or in part, exchange, sell, surrender, release, subordinate, modify, waive, rescind, compromise or extend such security and may permit or consent to any such action or the result of any such action, and may apply such security and direct the order or manner of sale thereof; (E) the Finance Parties may request and accept any guaranties of the Obligations and may, from time to time, in whole or in part, surrender, release, subordinate, modify, waive, rescind, compromise or extend any such guaranty and may permit or consent to any such action or the result of any such action; and (v) the Finance Parties may exercise, or waive or otherwise refrain from exercising, any other right, remedy, power or privilege (including the right to accelerate the maturity of the Finance Documents and any power of sale) granted by the Finance Documents or other security document or agreement, or otherwise available to the Finance Parties, with respect to the Obligations, any of the Collateral or other security for any or all of the Obligations, even if the exercise of such right, remedy, power or privilege affects or eliminates any right of subrogation or any other right of any Debtor against any other Obligor.

(d) Additionally, each Debtor waives and agrees not to assert: (i) any right to require any of the Finance Parties to proceed against any other Obligor or any other Person, or to proceed against or exhaust any other security held by the Finance Parties (except to the extent required by applicable law) or to pursue any other right, remedy, power or privilege of any Security Trustee whatsoever; (ii) any defense based upon an election of remedies (including, if available, an election to proceed by nonjudicial foreclosure) which destroys or impairs the subrogation rights of such Debtor or the right of such Debtor to proceed against any Obligor or any other Person for reimbursement; and (iii) without limiting the generality of the foregoing, to the fullest extent permitted by law, any other defenses or benefits that may be derived from or afforded by applicable law limiting the liability of or exonerating guarantors or sureties, or which may conflict with the terms of this Agreement.

(e) Until the Obligations shall be satisfied in full, no Debtor shall have, or directly or indirectly exercise, (i) any rights that it may acquire by way of subrogation under or in respect of this Agreement or otherwise, or (ii) any rights of contribution, indemnification, reimbursement or similar suretyship claims arising out of this Agreement.

(f) THE FOREGOING WAIVERS HAVE BEEN MADE WITH THE ADVICE OF COUNSEL AND WITH A FULL UNDERSTANDING OF THE LEGAL CONSEQUENCES THEREOF.

21. Indemnification. Each Debtor agrees to indemnify the Secured Parties, within three Business Days of demand, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may at any time be imposed on, incurred by, or asserted against any Secured Party in any way relating to or arising out of the operation of such Debtor's business, any action taken by the Security Trustee with

respect to any Collateral pursuant to this Agreement or any other action taken by the Security Trustee or any other Secured Party pursuant to the terms of this Agreement; provided, however, that no Debtor shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from a Secured Party's gross negligence or willful misconduct. Without limiting the generality of the foregoing, the Debtors agree, jointly and severally, (a) to reimburse the Security Trustee, and any Receiver or Delegate of the Security Trustee, within three Business Days of demand, for any out-of-pocket expenses (including counsel fees and expenses of the counsel(s) of the Security Trustee's own choosing) incurred by the Security Trustee or any Receiver or Delegate thereof in connection with the preparation, execution, or administration of this Agreement, and (b) to reimburse the Secured Parties, within three Business Days of demand, for any out-of-pocket expenses (including counsel fees and expenses of the counsel(s) of the Secured Parties' own choosing) incurred by the Secured Parties in connection with the enforcement of, or legal advice with respect to the rights or responsibilities of the parties under, this Agreement, any suit or action brought by the Secured Parties to enforce the terms of this Agreement, any "lender liability" suit or claim brought against the Secured Parties, and any claim or suit brought against the Secured Parties arising under any Federal or state environmental statute, rule or regulation, including, without limitation, the U.S. Superfund Act, or the U.S. Federal Resource Conservation and Recovery Act of 1976, as amended. Such out-of-pocket expenses (including counsel fees) shall be advanced by the Debtors on the request of the Security Trustee notwithstanding any claim or assertion that any Secured Party is not entitled to indemnification hereunder upon receipt of an undertaking by the Security Trustee that the Security Trustee will reimburse the Debtors if it is actually and finally determined by a court of competent jurisdiction that the applicable Secured Party is not so entitled to indemnification. The agreements in this Section shall survive the termination of this Agreement. The Security Trustee agrees to give the Debtors prompt notice of any suit or cause of action brought against any Secured Party which is covered by this Section.

22. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which, taken together, shall constitute but one and the same instrument.

23. Definitions. All capitalized terms used in this Agreement (including in the recitals hereof) and not otherwise defined herein shall have the meanings assigned to them in the Facilities Agreement. For the purposes of this Agreement:

"Account" means a right to payment of a monetary obligation, whether or not earned by performance, (i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (ii) for services rendered or to be rendered, (iii) for a policy of insurance issued or to be issued, (iv) for a secondary obligation incurred or to be incurred, (v) for energy provided or to be provided, (vi) for the use or hire of a vessel under a charter or other contract, (vii) arising out of the use of a credit or charge card or information contained on or for use with the card, or (viii) as winnings in a lottery or other game of chance operated, sponsored, licensed or authorized by a State or governmental unit of a State, or person licensed or authorized to operate the game by a State or governmental unit of a State. The term includes health-care insurance receivables.

"Account Debtor" shall mean a Person who is obligated on or under any Account, Chattel Paper, Instrument or General Intangible.

"Agreement" means this Security Agreement, as the same may be amended, supplemented, restated or otherwise modified from time to time.

"Applicable Law" means all applicable provisions of constitutions, statutes, laws, rules, regulations and orders of all governmental bodies and all orders, rulings and decrees of all courts and arbitrators.

“Chattel Paper” shall mean a record or records that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods.

“Collateral” means, with respect to each Debtor, all of such Debtor’s right, title and interest, whether now or hereafter held by such Debtor, in and to each of the following, wherever located and whether now or hereafter existing:

- (a) All Accounts;
- (b) All Inventory;
- (c) All Equipment;
- (d) All Chattel Paper;
- (e) All Deposit Accounts;
- (f) All Fixtures;
- (g) All General Intangibles;
- (h) All Documents;
- (i) All Instruments;
- (j) All Investment Property;
- (k) All Letter of Credit Rights;
- (l) All Commercial Tort Claims;
- (m) All other Goods;
- (n) All books, records, files, computer programs, data processing records, computer software, documents, correspondence and other information at any time evidencing, describing or pertaining to or in any way related to any of the foregoing or otherwise pertaining or relating to the business operations of such Debtor;
- (o) Any and all money, and products and proceeds of any of the foregoing (including, but not limited to, any claims to any items referred to in this definition, and any claims of such Debtor against third parties for loss of, damage to or destruction of, any or all of the Collateral or for proceeds payable under, or unearned premiums with respect to, policies of insurance) in whatever form, including, but not limited to, cash, Instruments, general intangibles, accounts, equipment, inventory, farm products, other goods, documents and chattel paper and all proceeds of such proceeds, and all Supporting Obligations of any and all of the foregoing;

provided, however, that in no event shall the Collateral include any Excluded IP Collateral.

"Commercial Tort Claims" means any and all of any Debtor's commercial tort claims, as such term is defined in Section 9-102 of the Uniform Commercial Code, including any such claims described in Schedule 3(q).

"Control Agreement" means any control agreement or other agreement with any securities intermediary, bank or other Person establishing the Security Trustee's control with respect to any Deposit Accounts, Letter of Credit Rights or Investment Property, for purposes of Article 8 or Sections 9-104, 9-106 and 9-107 of the Uniform Commercial Code.

"Copyright Security Agreement" means any security agreement supplementary to this Agreement under which any Debtor grants a Lien on its copyright registrations and applications for copyright registrations, in form and substance satisfactory to the Security Trustee.

"Deposit Account" shall mean any demand, time, savings, passbook or similar account maintained with a bank.

"Document" shall mean a document of title or a warehouse receipt.

"Equipment" means all equipment, machinery, apparatus, fittings, fixtures and other tangible personal property (other than Inventory) of every kind and description used in any Debtor's business operations or owned by any Debtor or in which any Debtor has an interest, and all parts, accessories and special tools and all increases and accessions thereto and substitutions and replacements therefor.

"Excluded IP Collateral" means any U.S. or foreign patent or patent application, trademark, service mark or trade name (whether registered or unregistered), or application for registration of any trademark, service mark or trade name that is not listed on Schedule 3(n).

"Financing Statements" means any and all financing statements executed and delivered by or on behalf of a Debtor in connection with the perfection of the Security Interest, together with any amendments thereto and any continuations thereof.

"Fixtures" shall mean goods that have become so related to particular real property that an interest in them arises under real property law.

"General Intangibles" shall mean any personal property (other than Goods, Accounts, Chattel Paper, Deposit Accounts, Documents, Instruments, Investment Property, Letter of Credit Rights and money) including things in action, contract rights, payment intangibles, software, corporate and other business records, inventions, designs, patents, patent applications, service marks, trademarks, tradenames, trade secrets, Internet domain names, engineering drawings, good will, registrations, copyrights, licenses, franchises, customer lists, tax refund claims, royalties, licensing and product rights, rights to the retrieval from third parties of electronically processed and recorded data and all rights to payment, resulting from an order of any court; provided, however, that in no event shall "General Intangibles" include any Excluded IP Collateral.

"Goods" means any and all of a Debtor's goods, as such term is defined in Section 9-102 of the Uniform Commercial Code.

"Governmental Approvals" means all authorizations, consents, approvals, licenses and exemptions of, registrations and filings with, and reports to, all governmental bodies.

“Instrument” shall mean a negotiable instrument or any other writing which evidences a right to the payment of a monetary obligation and is not itself a security agreement or lease and is of a type which is transferred in the ordinary course of business by delivery with any necessary endorsement or assignment.

“TP Security Agreement” means each Patent and Trademark Security Agreement, each Copyright Security Agreement or any amendment thereto, in form and substance satisfactory to the Security Trustee, supplementary to this Agreement and prepared for purposes of recordation with the U.S. Copyright Office or the U.S. Patent and Trademark Office, as applicable.

“Intellectual Property Collateral” means a Debtor’s U.S. and foreign patents and patent applications, copyrights (whether or not registered), applications for copyright, trademarks, service marks and trade names (whether registered or unregistered), and applications for registration of such trademarks, service marks and trade names; provided, however, that in no event shall “Intellectual Property Collateral” include any Excluded IP Collateral.

“Inventory” means with respect to each Debtor (a) all inventory of such Debtor and all goods intended for sale or lease by such Debtor, or for display or demonstration; (b) all work-in-process; (c) all raw materials and other materials and supplies of every nature and description used or which might be used in connection with the manufacture, packing, shipping, advertising, selling, leasing or furnishing of such goods or otherwise used or consumed in such Debtor’s business; and (d) all Documents relating to any of the foregoing.

“Investment Property” shall mean a security, whether certificated or uncertificated, a security entitlement, a securities account and all financial assets therein, a commodity contract or a commodity account.

“Letter of Credit Right” shall mean a right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance.

“Lien”, as applied to the property of any Person, means any security interest, lien, encumbrance, mortgage, deed to secure debt, deed of trust, pledge, charge, conditional sale or other title retention agreement, or other encumbrance of any kind covering any property of such Person, or upon the income or profits therefrom or any agreement to convey any of the foregoing or any other agreement or interest covering the property of a Person which is intended to provide collateral security for the obligation of such Person.

“Obligations” means, individually and collectively:

(a) all obligations, liabilities and indebtedness of the Obligors (including the Debtors) owing to the Finance Parties of every kind, nature and description, under or with respect to this Agreement, the Facilities Agreement, or any of the other Finance Documents and Instruments executed and delivered in connection herewith or therewith, whether direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any note, and including interest that accrues after the commencement by or against any Debtor or any other Obligor of any proceeding under any US Bankruptcy Law naming such Person as the debtor in such proceeding;

(b) all other obligations, liabilities and indebtedness owing by the Obligors to the Finance Parties and all future advances made to any Obligor by the Finance Parties, however and whenever created, arising or evidenced, whether direct or indirect, joint or several, liquidated or

unliquidated, secured or unsecured, through assignment from third parties, whether absolute or contingent, or otherwise, now or hereafter existing, or due or to become due, including, without limitation, obligations under all guaranties, letters of credit and overdrafts; and

(c) all renewals, substitutions, modifications, extensions and supplements to any of the foregoing items (a) and (b).

“Permitted Liens” means: (i) Permitted Security; (ii) Liens for taxes not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained by the applicable Debtor; (iii) Liens arising from precautionary Uniform Commercial Code filings in the United States in respect of operating leases; (iv) Liens arising in the ordinary course of business by virtue of any contractual, statutory or common law provision relating to banker’s Liens, rights of set-off or similar rights and remedies covering deposit or securities accounts (including funds or other assets credited thereto) or other funds maintained with a depository institution or securities intermediary; (v) Liens securing taxes, assessments and other governmental charges or levies not yet due and payable or the claims of, or obligations owing to, materialmen, mechanics, carriers, warehousemen or landlords for labor, materials, supplies or rentals incurred in the ordinary course of business but not yet due and payable; and (vi) Liens consisting of deposits or pledges made, in the ordinary course of business, in connection with, or to secure payment of, obligations under workmen’s compensation, unemployment insurance or similar legislation.

“Patent and Trademark Security Agreement” means any security agreement supplementary to this Agreement under which a Debtor grants a Lien on its patents, patent applications and trademarks, in form and substance satisfactory to the Security Trustee.

“Person” means an individual, corporation, partnership, association, trust of unincorporated organization, or a government or any agency or political subdivision thereof.

“Security Interest” means the Lien of the Security Trustee upon, and the collateral assignments to the Security Trustee of, the Collateral effected hereby or pursuant to the terms hereof, for itself and on behalf of and for the ratable benefit of the other Finance Parties.

“Supporting Obligations” means all supporting obligations, as such term is defined in Section 9-102 of the Uniform Commercial Code.

“Uniform Commercial Code” shall mean the Uniform Commercial Code as in effect in the State of Minnesota, as the same may be amended from time to time. Unless otherwise set forth herein to the contrary, all terms not otherwise defined herein and which are defined in the Uniform Commercial Code are used herein with the meanings ascribed to them in the Uniform Commercial Code.

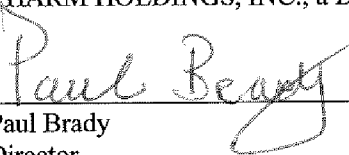
24. Conflicts with Facilities Agreement. The Debtors and Security Trustee, by their respective execution and acceptance hereof, and the other Finance Parties, by their acceptance hereof, each hereby agree that to the extent the terms of this Agreement or any of the other documents or instruments evidencing or securing any of the Obligations conflict with the terms of the Facilities Agreement, the terms of the Facilities Agreement shall govern and control.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

IN WITNESS WHEREOF, each Debtor has caused this Agreement to be duly executed and delivered by its duly authorized officers as of the day first above written.

BIMEDA BIOLOGICALS INC., a Texas corporation
BIMEDA INC., a Delaware corporation
CONSTANT IRWINDALE INC., a Delaware corporation
CROSS VETPHARM HOLDINGS, INC., a Delaware corporation

By: _____



Name: Paul Brady

Title: Director

Signature Page to Security Agreement

TRADEMARK
REEL: 007390 FRAME: 0968

Security Trustee's Address for Notices:

ALLIED IRISH BANKS, P.L.C.
10 Molesworth Street
Dublin 2
Ireland
Attention: Brian Gallagher / Ian Smith

Two handwritten signatures in black ink. The top signature is a cursive signature that appears to be 'Brian Gallagher'. The bottom signature is a more stylized cursive signature, possibly 'Ian Smith'.

Signature Page to Security Agreement

TRADEMARK
REEL: 007390 FRAME: 0969

SCHEDULE 3(a)¹

Name; Location; Taxpayer ID Number

Debtor's Legal Name	Chief Executive Office	Jurisdiction of Organization	Form of Organization	Taxpayer ID
Bimeda Biologicals Inc.	One Tower Lane, Suite 2250, Oakbrook Terrace, IL 60181	Texas	Corporation	75-1561032
Bimeda Inc.	One Tower Lane, Suite 2250, Oakbrook Terrace, IL 60181	Delaware	Corporation	51-0393964
Constant Irwindale Inc.	One Tower Lane, Suite 2250, Oakbrook Terrace, IL 60181	Delaware	Corporation	33-1148955
Cross Vetpharm Holdings, Inc.	One Tower Lane, Suite 2250, Oakbrook Terrace, IL 60181	Delaware	Corporation	91-2120793

Trade Names or Other Names Used Within the Last Five Years: N/A

¹ Note to draft: Schedules have not been updated; Schedules to be updated by the company.

SCHEDULE 3(f)

Location of Books and Records

1. 1 Tower Lane, Suite 2250, Oakbrook Terrace, IL 60181

SCHEDULE 3(g)

Places of Business

1. 1 Tower Lane, Suite 2250, Oakbrook Terrace, IL 60181;
2. 291 Forest Prairie Road, LeSueur, MN 56058;
3. 1100 North 4th Street, LeSueur MN 56058;
4. 5539 Ayon Avenue, Irwindale, CA 91706;
5. 1702 North Bell Street, San Angelo, TX 76903.

SCHEDULE 3(h)

Locations of Equipment and Inventory

1. 1 Tower Lane, Suite 2250, Oakbrook Terrace, IL 60181;
2. 291 Forest Prairie Road, LeSueur, MN 56058;
3. 1100 North 4th Street, LeSueur MN 56058;
4. 5539 Ayon Avenue, Irwindale, CA 91706;
5. 1702 North Bell Street, San Angelo, TX 76903.

SCHEDULE 3(n)

PATENTS

Issued Patents of the Debtors

<u>Debtor</u>	<u>Jurisdiction</u>	<u>Patent No.</u>	<u>Issue Date</u>	<u>Inventor</u>	<u>Title</u>
N/A					

Pending Patent Applications of the Debtors

<u>Debtor</u>	<u>Jurisdiction</u>	<u>Serial No.</u>	<u>Filing Date</u>	<u>Inventor</u>	<u>Title</u>
N/A					

Licenses of the Debtors Related to Issued Patents and Pending Patent Applications

N/A

TRADEMARKS

Registered Trademarks of the Debtors

<u>Debtor</u>	<u>Jurisdiction</u>	<u>Registration No.</u>	<u>Registration Date</u>	<u>Filing Date</u>	<u>Registered Owner</u>	<u>Mark</u>
Bimeda Inc.	United States	2842790	May 18, 2004	June 27, 2003	Bimeda Inc.	EXODUS
Bimeda Inc.	United States	3273238	August 7, 2007	April 10, 2006	Bimeda Inc.	LINCOMED
Bimeda Inc.	United States	3541054	December 2, 2008	May 30, 2007	Bimeda Inc.	LINXMED-SP
Bimeda Inc.	United States	3210017	February 20, 2007	April 10, 2006	Bimeda Inc.	NEOMED 325
Bimeda Inc.	United States	2969637	July 19, 2005	June 9, 2004	Bimeda Inc.	PENAQUA SOL-G
Bimeda Inc.	United States	2816856	February 24, 2004	April 24, 2003	Bimeda Inc.	PRO-PEN-G
Bimeda Inc.	United States	3886305	December 7, 2010	April 22, 2010	Bimeda Inc.	SMZ-MED
Bimeda Inc.	United States	3109756	June 27, 2006	April 16, 2004	Bimeda Inc.	SPECTOGARD
Bimeda Inc.	United States	1732411	November 17, 1992	July 2, 1991	Bimeda Inc.	SUSTAIN III

Pending Trademark Applications of the Debtors

<u>Debtor</u>	<u>Jurisdiction</u>	<u>Application No.</u>	<u>Filing Date</u>	<u>Applicant</u>	<u>Mark</u>
N/A					

Licenses of the Debtors Related to Registered Trademarks and Pending Trademark Applications²

N/A

² Exclusive of nonexclusive licenses in the ordinary course of business.

COPYRIGHTS

Registered Copyrights of the Debtors

<u>Debtor</u>	<u>Jurisdiction</u>	<u>Registration No.</u>	<u>Registration Date</u>	<u>Work of Authorship</u>
N/A				

Pending Copyright Applications of the Debtors

<u>Debtor</u>	<u>Jurisdiction</u>	<u>Application No.</u>	<u>Application Date</u>	<u>Work of Authorship</u>
N/A				

Licenses of the Debtors Related to Registered Copyrights and Copyright Applications³

N/A

³ Exclusive of nonexclusive licenses in the ordinary course of business.

SCHEDULE 3(o)

Deposit Accounts

1. HSBC Acct No.: 757019404, Bimeda Inc.
2. HSBC Acct No.: 724002081, Bimeda Inc.
3. HSBC Acct No.: 724002120, Constant Irwindale Inc.
4. Sonora Bank Acct No.: 2000551731, Bimeda Biologicals Inc.

SCHEDULE 3(p)

Securities Accounts; Other Investment Property

Cross Vetpharm Holdings, Inc. - 100% of the shares of Bimeda Inc.

Cross Vetpharm Holdings, Inc. - 100% of the shares of Bimeda Biologicals Inc.

SCHEDULE 3(q)

Commercial Tort Claims

None.