

9-19-02

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Form PTO-1595
(Rev. 03/01)

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

OMB No. 0651-0027 (exp. 5/31/2002)

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

1. Name of conveying party(ies):

Science Incorporated, a Delaware Corporation

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

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other _____

Execution Date: November 20, 2001

2. Name and address of receiving party(ies)

Name: See Attached Schedule A

Internal Address: _____

Street Address: _____

See Attached Schedule A

City: _____ State: _____ Zip: _____

Additional name(s) & address(es) attached? ☒ Yes ☐ No

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s)

B. Patent No.(s)

See Attached Schedule B

See Attached Schedule B

Additional numbers attached? ☒ Yes ☐ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: David E. Baer, Esq.

Internal Address: Suite 2300

Leonard, Street and Deinard

Street Address: 150 South Fifth Street

Minneapolis
City: _____ State: MN Zip: 55402

6. Total number of applications and patents involved: 57

7. Total fee (37 CFR 3.41).....\$ 2280.00

☒ Enclosed☐ Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

David E. Baer, Esq.

Name of Person Signing

Signature

Date

9/19/02

Total number of pages including cover sheet, attachments, and documents: 32

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

09/23/2002 TDI A21 00000103 09645815

01 FC:581

2280.00 OP

PATENT
REEL: 13258 FRAME: 0828

SCHEDULE A

CONTINUATION OF INFORMATION IN ITEM NO. 2
Attachment to Recordation Form Cover Sheet – Patents Only
Additional Names and Addresses for Receiving Party(ies)

Okabena Partnership V-8
Bruce C. Lueck, President
5140 Wells Fargo Center
90 South 7th Street
Minneapolis, MN 55402

Winston R. Wallin
Wallin Family Foundation
2550 Metropolitan Center
333 South 7th Street
Minneapolis, MN 55402

William F. Farley
d/b/a Livingston Capital
350 South Brown Road
Long Lake, MN 55356

William A. Hodder
4900 IDS Center
80 South Eighth Street
Minneapolis, MN 55402

Grossman Investments
Attn: Larry Waller
4670 Wells Fargo Center
90 South 7th Street
Minneapolis, MN 55402

Donald Brattain
15600 Wayzata Blvd.
Suite 101
Wayzata, MN 55391

Paul M. Torgerson
1520 Tamberwood Trail
Woodbury, MN 55125

Revocable Trust of Barbara C. Gage
c/o Mr. John K. Flottmeier
Tonkawa
301 Carlson Parkway
Suite 102
Minnetonka, MN 55305

SIT Investment Associates, Inc.
Eugene C. Sit
4600 Wells Fargo Center
90 South 7th Street
Minneapolis, MN 55402-4130

Arleen M. Carlson 2000 BCG CLAT
c/o Mr. John K. Flottmeier
Tonkawa
301 Carlson Parkway
Suite 102
Minnetonka, MN 55305

Arleen M. Carlson 2000 MCN CLAT
c/o Mr. John K. Flottmeier
Tonkawa
301 Carlson Parkway
Suite 102
Minnetonka, MN 55305

Burton J. McGlynn
16802 Captiva Drive
Captiva, FL 33924

Bruce C. Lueck
5140 Wells Fargo Center
90 South 7th Street
Minneapolis, MN 55402

Michael J. Evers
1860 Magnolia Lane North
Plymouth, MN 55441

Pocket, a Nominee Partnership
c/o Mr. Randall J. Sukovich
Burr Oak Group, Inc.
Parkdale Plaza
1660 South Highway 100
Suite 426
St. Louis Park, MN 55416

Revocable Trust of Edwin C. Gage
c/o Mr. John K. Flottmeier
Tonkawa
301 Carlson Parkway
Suite 102
Minnetonka, MN 55305

SCHEDULE B

CONTINUATION OF INFORMATION IN ITEM NO. 4 Additional Patent Application No.(s) and Patent No.(s)

Continuation of Recordation Form Cover Sheet PATENTS ONLY

4. Application number(s) or patent number(s):					
A. Patent Application No.(s)			B. Patent No.(s)		
09645815,	09645818,	09607519	5411480,	5620420,	5336188,
10011902	09624575	09624544	5468226,	5492533,	5693019,
09740987	09594744	09823536	5419771,	5336180,	5314405,
09740096	09858131	09732857	5372578,	5334197,	5263940,
09645817	09686648	09654419	5354278,	5433709,	5484415,
			5700244,	5873857,	5980489,
			6086560,	6090071,	6245041,
			5236418,	6293159,	6391006,
			5957891,	6277095,	6209608,
			6231545,	6183441,	6355019,
			6159180,	6176845,	6394980,
			5961492,	6245042,	6174300,
			6200293,	5993425,	6126637,
			6095491,	6236624,	6416495

SECURITY AGREEMENT

AGREEMENT made as of the 20th day of November, 2001, by Science Incorporated, a Delaware corporation (hereinafter called "Debtor"), in favor of the purchasers (hereinafter called collectively the "Secured Parties" and individually a "Secured Party") of those certain 10% Secured Convertible Voting Notes due 2006 issued or to be issued by Debtor in an aggregate principal amount not exceeding \$4,000,000.00 (which notes, together with any note or notes issued in substitution therefor, are hereinafter called collectively the "Notes" and individually a "Note").

In order to secure the payment of the principal of and interest accrued on the Notes payable to the order of Secured Parties, the parties hereto hereby agree as follows:

1. **Security Interest and Collateral.** In order to secure the payment and performance of the Notes, Debtor hereby grants Secured Parties, on a pro rata basis according to their relative percentage participation in Debtor obtaining financing through purchasing Notes, a Security Interest (herein called the "Security Interest") in the following property (herein called the "Collateral"), subject to the Permitted Encumbrances (as defined in Section 5(a) hereof):

(a) **INVENTORY AND SUPPLIES:**

All inventory and supplies of Debtor, whether now owned or hereafter acquired and wherever located;

(b) **EQUIPMENT:**

All equipment of Debtor (including but not limited to equipment which shall now or hereafter constitute fixtures), whether now owned or hereafter acquired;

(c) **ACCOUNTS, CONTRACT RIGHTS AND OTHER RIGHTS TO PAYMENT:**

Each and every right of Debtor to the payment of money, whether such right to payment now exists or hereafter arises, whether such right to payment arises out of a sale, lease or other disposition of goods or other property by Debtor, out of a rendering of services by Debtor, out of a loan by Debtor, out of an overpayment of taxes or other liabilities of Debtor, or otherwise arises under any contract or agreement, whether such right to payment is or is not already earned by performance, and howsoever such right may be evidenced, together with all other rights and interests (including all liens and security interests) which Debtor may at any time have by law or agreement against any account debtor or other

obligor obligated to make any of the aforementioned payments or against any of the property of such account debtor or other obligor; all including but not limited to all present and future debt instruments, chattel papers, accounts, contract rights, loans, obligations receivable and tax refunds of Debtor; and

(d) GENERAL INTANGIBLES:

All general intangibles of Debtor, whether now owned or hereafter acquired, including but not limited to all applications for patents, patents, copyrights, copyright rights, trademarks, trade secrets, goodwill, trade names, customers lists, permits and franchises, and the right to use Debtor's name;

together with all substitutions and replacements for any of the foregoing property and proceeds of any and all of the foregoing property and, in the case of all tangible Collateral, together with (i) all accessories, attachments, parts, equipment, accessions and repairs now or hereafter attached or affixed to or used in connection with any such goods, and (ii) all warehouse receipts, bills of lading and other documents of title now or hereafter covering such goods.

2. **Appointment of Agent.** Each of the Secured Parties hereby appoints and authorizes Winston R. Wallin (the "Secured Parties' Agent") as its agent with full and complete power at any time (i) to execute on behalf of all Secured Parties any amendment to financing statements on file or any other documents, in order to revise the list of Secured Parties indicated thereon, including the right to execute and file the appropriate documents in order to release and terminate a Secured Party's pro rata share of the Security Interest upon the payment of all obligations owed to such Secured Party under the Notes, and (ii) to take all action necessary on behalf of the Secured Parties to terminate this Agreement and the Security Interest upon the payment of all obligations owed to the Secured Parties under the Notes. The Secured Parties and the Secured Parties' Agent will solely rely upon Debtor as to when, if at all, financing statements on file need revision or termination. Debtor agrees to indemnify the Secured Parties' Agent from and against any and all liabilities, obligations, losses, damages, costs and expenses of any kind whatsoever which may be imposed or incurred by Secured Parties' Agent in any way relating to or arising out of its duties as Secured Parties' Agent hereunder; provided that Secured Parties' Agent was not acting in a manner which constitutes gross negligence or willful misconduct.

3. **Subordination of Security Interest.**

(a) The Security Interest in the Collateral is junior and subordinate to the rights of all holders of indebtedness of Debtor incurred (i) for money borrowed from banks, finance companies, trust companies, pension trust, insurance companies or other concerns whose regular course of business entails the making of commercial and industrial loans or investments, (ii) in connection with the issuance of tax exempt notes or debentures, and (iii) in connection

with the acquisition of capital equipment (such indebtedness of Debtor to which the Security Interest is subordinate and junior being sometimes hereinafter referred to as the "Senior Debt"), whether such indebtedness is outstanding at the date hereof or is incurred after the date hereof:

(i) In the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, readjustment, reorganization or other similar proceedings in connection therewith, relative to Debtor or to its creditors, as such, or to its property, or in the event of any proceedings for voluntary liquidation, dissolution or other winding up of Debtor, whether or not involving insolvency or bankruptcy, then the holders of Senior Debt shall be entitled to receive payment in full of all principal and interest on all Senior Debt before the Secured Parties are entitled to receive any payment on account of the Security Interest, and to that end (but subject to the power of a court of competent jurisdiction to make other equitable provisions reflecting the rights conferred in this Agreement upon the Senior Debt and the holders thereof with respect to the indebtedness evidenced by the Notes and the holders thereof by a lawful plan of reorganization under applicable bankruptcy law) the holders of Senior Debt shall be entitled to receive for application in payment thereof any payment or distribution of any kind or character, whether in cash or property or securities, which may be payable or deliverable in any such proceedings in respect of the Security Interest, including any such payment or distribution which may be payable or deliverable by virtue of the provisions of any indebtedness which is subordinate and junior in right of payment to the Notes, except securities which are subordinate in right of payment to the payment of the Senior Debt.

(ii) In the event of the occurrence of an Event of Default under Section 8 (under the circumstances when the provisions of the foregoing subclause (i) shall not be applicable), and in the event of any default under any Senior Debt, the holders of Senior Debt outstanding at the time of such Event of Default shall be entitled to receive payment in full of all principal and interest on all Senior Debt before the Secured Parties are entitled to receive any payment on account of the Security Interest.

(iii) Notwithstanding the Security Interest, the holders of the Senior Debt may take possession of, sell, dispose of, and otherwise deal with all or any part of the Collateral, and may enforce any right or remedy available to them with respect to the Collateral, all without notice to or consent of the Secured Parties except as specifically required by applicable law.

(iv) In the event any Secured Party receives any Collateral on account of the Security Interest in violation of the terms hereof, such Secured Party will hold the same in trust for, and forthwith pay over or deliver the same to, the holders of the Senior Debt to be applied pro rata on such Senior Debt whether or not the same then be due.

(v) No payments on account of the Security Interest shall be made unless full payment of amounts then due, whether at maturity or by reason of any event or action causing such amounts to become due prior to stated maturity or otherwise, for principal, premium, if any, sinking fund, and interest on Senior Debt has been made or duly provided for in money or money's worth. No payments on account of the Security Interest shall be made if, at the time of such payment or immediately after giving effect thereto, there shall have occurred an event of default with respect to any Senior Debt as defined therein or in any agreement pursuant to which any Senior Debt is issued, unless and until such event of default shall have been cured or waived or shall have ceased to exist.

(b) Subject to the payment in full of all Senior Debt, the Secured Parties shall be subrogated to the rights of the holders of Senior Debt to receive payments or distributions of assets of Debtor made on the Senior Debt until the principal and interest on the Notes shall be paid in full; and for the purposes of such subrogation, no payments or distributions to the holders of Senior Debt of any cash, property or securities to which the holders of the Security Interest would be entitled except for the subordination provisions of this Agreement shall, as between Debtor, its creditors other than the holders of Senior Debt, and the holder of the Security Interest, be deemed to be a payment by Debtor to or on account of Senior Debt.

(c) No present or future holder of Senior Debt shall be prejudiced in its right to enforce the subordination of the Security Interest by any act or failure to act on the part of Debtor or the holder of the Security Interest. The foregoing provisions as to subordination are solely for the purpose of defining the relative rights of the holders of the Senior Debt on the one hand, and the Secured Parties on the other hand, and none of such provisions shall impair, as between Debtor and the Secured Parties, the obligation of Debtor, which is unconditional and absolute, to pay to the Secured Parties the principal and interest on the Notes, in accordance with the terms thereof, nor shall any such provisions prevent the Secured Parties from exercising all remedies otherwise permitted by applicable law or under the terms of this Agreement or the Notes upon default thereunder, subject to the rights, if any, under the foregoing provisions, of holders of Senior

Debt to receive cash, property or securities otherwise payable or deliverable to the Secured Parties.

4. Representations, Warranties and Agreements. Debtor represents, warrants and agrees that:

(a) Debtor is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and this Agreement has been duly and validly authorized by all necessary corporate action.

(b) There is no provision in the Certificate of Incorporation of Debtor or in its Bylaws, or in any contract or agreement to which Debtor is a party or by which Debtor is bound (or, if any such provision does exist, for which appropriate waivers have not been obtained) which prohibits the execution and delivery by Debtor of this Agreement, or of the performance or observance by Debtor of any of the terms or conditions of this Agreement.

(c) The Collateral will be used primarily for business purposes.

5. Additional Representations, Warranties and Agreements. Debtor further represents, warrants and agrees that:

(a) Debtor has (or will have at the time Debtor acquires rights in Collateral hereafter arising) and will maintain absolute title to each item of Collateral free and clear of all security interests, liens and encumbrances, except the Security Interest, those relating to Senior Debt and those described on the Schedule of Permitted Encumbrances attached as Exhibit A hereto (collectively, "Permitted Encumbrances"). Debtor will defend the Collateral against all claims or demands of all persons other than Secured Parties and any other holders of Permitted Encumbrances. From and after the date of this Agreement, Debtor will not sell, encumber or otherwise dispose of the Collateral or any interest therein. Notwithstanding anything herein stated, until the occurrence of an Event of Default under Section 8 hereof and the revocation by Secured Parties of Debtor's right to do so, Debtor may sell any inventory or supplies constituting Collateral in the ordinary course of business.

(b) Debtor will not permit any tangible Collateral to be located in any state (and, if a county filing is required, in any county) in which a financing statement covering such Collateral is required to be, but has not in fact been, filed.

(c) Debtor will not agree to any material modification, amendment or cancellation of any right to payment in excess of \$5,000 or any instrument, document, chattel paper or other agreement constituting or evidencing Collateral

without Secured Parties' prior written consent, and will not subordinate any such right of payment to claims of other creditors of the account debtor or other obligor obligated with respect thereto.

(d) Debtor will (i) keep all tangible Collateral in good repair, working order and condition, normal depreciation excepted, and will, from time to time, replace any worn, broken or defective parts thereof; (ii) promptly pay, when due or pursuant to a payment schedule heretofore worked out with the appropriate taxing authority, all taxes and other governmental charges levied or assessed upon or against any Collateral or upon or against the creation, perfection or continuance of the Security Interest; (iii) keep all Collateral free and clear of all security interests, liens and encumbrances except the Security Interest and Permitted Encumbrances; (iv) at all reasonable times permit Secured Parties or their representatives to examine or inspect any Collateral, wherever located, and to examine, inspect and copy Debtor's books and records pertaining to the Collateral and its business and financial condition; (v) keep accurate and complete records pertaining to the Collateral and pertaining to Debtor's business and financial condition and submit to Secured Parties such periodic reports concerning the Collateral and Debtor's business and financial condition as Secured Parties may from time to time reasonably request; (vi) promptly notify Secured Parties of any loss of or material damage to any Collateral or of any adverse change, known to Debtor, in the prospect of payment of any sums due on or under any instrument, chattel paper, account or contract right constituting Collateral; (vii) if Secured Parties at any time so request (whether the request is made before or after the occurrence of any Event of Default under Section 8), and subject to the rights of holders of Permitted Encumbrances, promptly deliver to Secured Parties any instrument, document or chattel paper constituting Collateral, duly endorsed or assigned by Debtor to Secured Parties; (viii) at all times keep all tangible Collateral insured against risks of fire (including so-called extended coverage), theft and such other risks and in such amounts as Secured Parties may reasonably request, with any loss payable to Secured Parties to the extent of their interests; (ix) from time to time execute such financing statements or other documents or instruments as Secured Parties may reasonably deem required to be filed in order to perfect the Security Interest; (x) pay when due or reimburse Secured Parties on demand for all costs of collection of any of the Notes and all other out-of-pocket expenses (including in each case all reasonable attorneys' fees) incurred by Secured Parties in connection with the creation, perfection, satisfaction or enforcement of the Security Interest or the execution, creation, continuance or enforcement of this Agreement or any or all of the Notes; (xi) execute, deliver or endorse any and all instruments, documents, assignments, security agreements and other agreements and writings which Secured Parties may at any time reasonably request in order to secure, protect, perfect or enforce the Security Interest and Secured Parties' rights under this

Agreement; (xii) not use or keep any Collateral, or permit it to be used or kept, for any unlawful purpose or in violation of any federal, state or local law, statute or ordinance; (xiii) not permit any tangible Collateral to become part of or to be affixed to any real property, without first assuring to the reasonable satisfaction of Secured Parties that the Security Interest will be prior and senior to any interest or lien then held or thereafter acquired by any mortgagee of such real property or the owner or purchaser of any interest therein except for the Permitted Encumbrances; and (xiv) protect, defend and maintain all patents, copyrights, copyright rights, trademarks, trade secrets, trade names and similar intangibles to the extent reasonably advisable for Debtor's business. If Debtor at any time fails to perform or observe any agreement contained in this Section 5(d), and if such failure shall continue for a period of ten calendar days after any Secured Party gives Debtor written notice thereof (or, in the case of the agreements contained in clauses (viii) and (ix) of this Section 5(d), immediately upon the occurrence of such failure, without notice or lapse of time), Secured Parties may (but need not) perform or observe such agreement on behalf and in the name, place and stead of Debtor (or, at Secured Parties' option, in the name of Secured Parties) and may (but need not) take any and all other actions which Secured Parties may reasonably deem necessary to cure or correct such failure (including, without limitation, the payment of taxes, the satisfaction of security interests, liens or encumbrances, the performance of obligations under contracts or agreements with account debtors or other obligors, the procurement and maintenance of insurance, the execution of financing statements, the execution or endorsement of other instruments and the procurement of repairs, transportation or insurance); and, except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, Debtor shall thereupon pay to Secured Parties, on demand, the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees) incurred by Secured Parties in connection with or as a result of its performing or observing such agreements or taking such actions, together with interest thereon from the date expended or incurred by Secured Parties at the highest rate then applicable to any of the Notes or the highest rate permitted by law, whichever is less. To facilitate the performance or observance by Secured Parties of such agreements of Debtor, as permitted by the preceding sentence, Debtor hereby irrevocably appoints (which appointment is coupled with an interest) each Secured Party, or its delegate, as the attorney-in-fact of Debtor with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of Debtor, any and all instruments, documents, financing statements, applications for insurance and other agreements and writings required to be obtained, executed, delivered or endorsed by Debtor under this Section 5.

6. **Collection Rights of Secured Party.** Whether or not Secured Parties exercise their rights under Section 9 of this Agreement, Secured Parties may at any time after the occurrence of an Event of Default under Section 8 notify any account debtor, or any other person obligated to pay any amount due, that such right to payment has been assigned or transferred to Secured Parties for security and shall be paid directly to Secured Parties, subject to the prior rights, if any, of holders of Permitted Encumbrances. If any Secured Party so requests at any time after the occurrence of an Event of Default, Debtor will so notify such account debtors and other obligors in writing and will indicate on all invoices to such account debtors or other obligors that the amount due therefrom is payable directly to Secured Parties, if the obligations of such holders of Permitted Encumbrances, if any, have been satisfied. At any time after any Secured Party or Debtor gives such notice to an account debtor or other obligor, each Secured Party may (but need not), in its own name or in Debtor's name, demand, sue for, collect or receive any money or property at any time payable or receivable on account of, or securing, any such right to payment of any such account debtor or other obligor.

7. **Assignment of Insurance.** Debtor hereby assigns to Secured Parties, as additional security for the payment of the Notes, any and all moneys (including but not limited to proceeds of insurance and refunds of unearned premiums) due or to become due under, and all rights of Debtor under or with respect to, any and all policies of insurance covering the Collateral to the extent such moneys relate specifically to the Collateral. The rights granted to Secured Parties by this Section 7 are subject to the rights of the holders of Permitted Encumbrances.

8. **Event of Default.** Event of Default shall have the meaning given to such term in Section 6(a) of the Notes.

9. **Remedies after Event of Default.** Upon the occurrence of an Event of Default under Section 8 and at any time thereafter and in addition to the rights and remedies provided for in the Notes, Secured Parties holding at least two-thirds of the then outstanding aggregate principal amount of the Notes may exercise any one or more of the following rights or remedies: (i) exercise and enforce any or all rights and remedies available after default to a secured party under the Uniform Commercial Code, including but not limited to the right to take possession of any Collateral, proceeding without judicial process or by judicial process (without a prior hearing or notice thereof, which Debtor hereby expressly waives); the right to sell, lease or otherwise dispose of any or all of the Collateral; and the right to require Debtor to assemble the Collateral and make it available to Secured Parties at a place to be designated by Secured Parties which is reasonably convenient to all parties; it being expressly understood and agreed that if notice to Debtor of any intended disposition of Collateral or any other intended action is required by law in a particular instance, such notice shall be deemed commercially reasonable if given (in the manner specified in Section 10) at least 10 calendar days prior to the date of intended disposition or other action; and (ii) exercise or enforce any or all other rights or remedies available to Secured Parties by law or agreement against the Collateral, against Debtor or against any other person or property. Effective upon the occurrence of an Event of

Default, Debtor hereby grants Secured Parties a non-exclusive, worldwide and royalty-free license to use or otherwise exploit all patents, copyrights, copyright rights, trademarks, trade secrets, trade names and similar intangibles that Secured Parties deem necessary or appropriate to the disposition of any Collateral. The rights granted to Secured Parties by this Section 9 are subject to the rights of the holders of Permitted Encumbrances.

10. Miscellaneous. This Agreement does not contemplate a sale of accounts, contract rights or chattel paper, and, as provided by law, Debtor is entitled to any surplus and shall remain liable for any deficiency. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by Secured Parties holding at least two-thirds of the then outstanding principal amount of the Notes, subject to the power granted to the Secured Parties' Agent in Section 2. A waiver signed by Secured Parties shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of Secured Parties' rights or remedies. All rights and remedies of Secured Parties shall be cumulative and may be exercised singularly or concurrently, at the option of Secured Parties holding at least two-thirds of the then outstanding principal amount of the Notes, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Debtor shall be deemed sufficiently given if mailed by registered or certified mail, postage prepaid, or delivered to Debtor at 7760 France Avenue South, Bloomington, Minnesota 55435-5803, or at the most recent address shown on Secured Parties' records. A Secured Party's duty of care with respect to Collateral in its possession (as imposed by law) shall be deemed fulfilled if such Secured Party exercises reasonable care in physically safekeeping such Collateral or, in the case of Collateral in the custody or possession of a bailee or other third person, exercises reasonable care in the selection of the bailee or other third person, and such Secured Party need not otherwise preserve, protect, insure or care for any Collateral. Secured Parties shall not be obligated to preserve any rights Debtor may have against prior parties, to realize on the Collateral at all or in any particular manner or order, or to apply any cash proceeds of Collateral in any particular order of application. This Agreement shall be binding upon and inure to the benefit of Debtor and Secured Parties and their respective representatives, successors and assigns, and shall take effect when signed by Debtor and delivered to Secured Parties, and Debtor waives notice of Secured Parties' acceptance thereof. Except to the extent otherwise required by law, this Agreement shall be governed by the internal laws of the State of Minnesota and, unless the context otherwise requires, all terms used herein which are defined in Articles 1 and 9 of the Uniform Commercial Code, as in effect in said state (including but not limited to the terms "inventory", "equipment", "instrument", "document", "chattel paper", "account", "contract right", "account debtor" and "general intangible"), shall have the meanings therein stated. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall


survive the execution, delivery and performance of this Agreement and the creation and payment of the Notes.

11. Other Personal Property. Unless at the time any Secured Party takes possession of any tangible Collateral, or within seven (7) days thereafter, Debtor gives written notice to Secured Parties of the existence of any goods, papers or other property of Debtor, not affixed to or constituting a part of such Collateral, but which are located or found upon or within such Collateral, describing such property, such Secured Party shall not be responsible or liable to Debtor for any action taken or omitted by or on behalf of such Secured Party with respect to such property without actual knowledge of the existence of any such property or without actual knowledge that it was located or to be found upon or within such Collateral.

12. Priority of Secured Parties. By accepting this Agreement, Secured Parties, and each of them, agree that they shall rank pari passu with respect to the Security Interest, notwithstanding the order of attachment or perfection of the Security Interest as to each Secured Party.

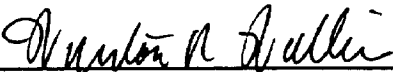
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

SCIENCE INCORPORATED, a Delaware corporation

By 
Its Chairman and CEO

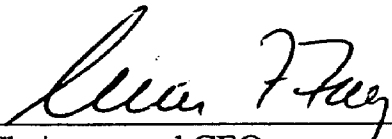
AGREED TO AND ACCEPTED:

WINSTON R. WALLIN
Printed Name of Secured Party

By: 
Title: _____
Date: NOV 20, 2001

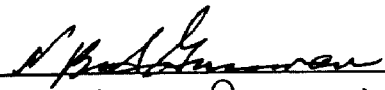
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

SCIENCE INCORPORATED, a Delaware corporation

By 
Its Chairman and CEO

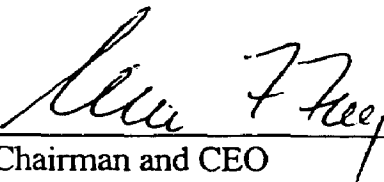
AGREED TO AND ACCEPTED:

Grossman Investments
Printed Name of Secured Party

By: 
Title: Managing General Partner
Date: 11/20/01

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

SCIENCE INCORPORATED, a Delaware corporation

By 
Its Chairman and CEO

AGREED TO AND ACCEPTED:

OKABENA PARTNERSHIP V-8

By: Okabena Investment Services, Inc.,
Manager

By: 

Printed Name of Secured Party

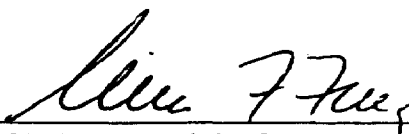
By: BRUCE C. LUECK

Title: PRESIDENT

Date: 11-30-01


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

SCIENCE INCORPORATED, a Delaware corporation

By 
Its Chairman and CEO


AGREED TO AND ACCEPTED:

Adrian M. Caton 2000 mcd CLAT
Printed Name of Secured Party

By: 
Title: First Manager
Date: 11/20/01

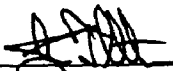
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

SCIENCE INCORPORATED, a Delaware corporation

By 
Its Chairman and CEO


AGREED TO AND ACCEPTED:

Adrian M. Carlson 2000 BCG CLAT
Printed Name of Secured Party

By: 
Title: VP of Finance
Date: 11/20/01

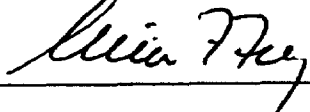
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

SCIENCE INCORPORATED, a Delaware corporation

By 
Its Chairman and CEO

AGREED TO AND ACCEPTED:

William F. Fry d/b/a LUNASTON CAPITAL
Printed Name of Secured Party

By:  d/b/a
Title: _____
Date: 11/20/01

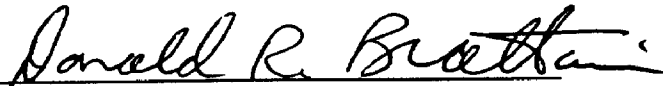
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

SCIENCE INCORPORATED, a Delaware corporation

By 
Its Chairman and CEO

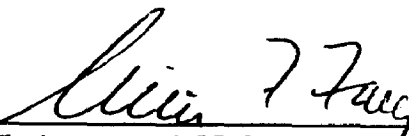
AGREED TO AND ACCEPTED:

Donald R. Brattain
Printed Name of Secured Party

By: 
Title: _____
Date: 11/19/01

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

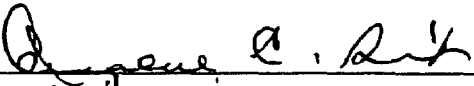
SCIENCE INCORPORATED, a Delaware corporation

By 
Its Chairman and CEO

AGREED TO AND ACCEPTED:

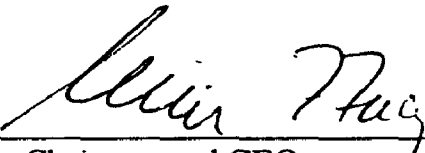
Sit Investment Associates, Inc.

Printed Name of Secured Party

By: 
Title: CHAIRMAN & CEO
Date: November 26, 2003

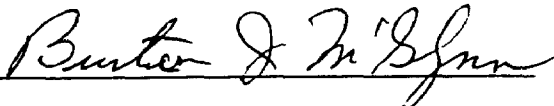
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

SCIENCE INCORPORATED, a Delaware corporation

By 
Its Chairman and CEO

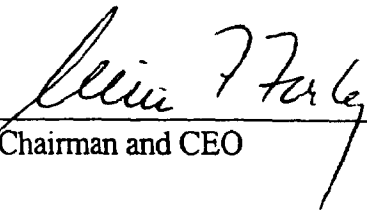
AGREED TO AND ACCEPTED:

BURTON J. MCGLYNN
Printed Name of Secured Party

By: 
Title: _____
Date: 11/19/2001


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

SCIENCE INCORPORATED, a Delaware corporation

By 
Its Chairman and CEO

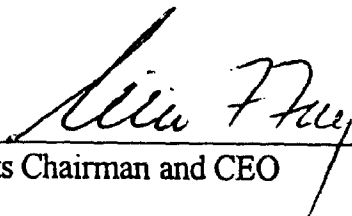
AGREED TO AND ACCEPTED:

W.A. Hodder

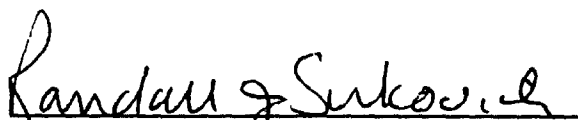
Printed Name of Secured Party
By: 
Title: _____
Date: 11/20/01

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

SCIENCE INCORPORATED, a Delaware corporation

By 
Its Chairman and CEO

POCKET, A NOMINEE PARTNERSHIP
AGREED TO AND ACCEPTED:


Printed Name of Secured Party

By: RANDALL J. SDKOVICH
Title: PRESIDENT, BURROAK GROUP, INC.
Date: 11/19/01
FOR POCKET PARTNERSHIP

respect to such property without actual knowledge of the existence of any such property or without actual knowledge that it was located or to be found upon or within such Collateral.

12. **Priority of Secured Parties.** By accepting this Agreement, Secured Parties, and each of them, agree that they shall rank pari passu with respect to the Security Interest, notwithstanding the order of attachment or perfection of the Security Interest as to each Secured Party.

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

SCIENCE INCORPORATED, a Delaware
corporation

By

William F. Kelly
Its Chairman and CEO

AGREED TO AND ACCEPTED:

Resonance Trust of Barbara C. Kelly
Printed Name of Secured Party

By: *[Signature]*
Title: *Trust Manager*
Date: *11/28/01*

respect to such property without actual knowledge of the existence of any such property or without actual knowledge that it was located or to be found upon or within such Collateral.

12. **Priority of Secured Parties.** By accepting this Agreement, Secured Parties, and each of them, agree that they shall rank pari passu with respect to the Security Interest, notwithstanding the order of attachment or perfection of the Security Interest as to each Secured Party.


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

SCIENCE INCORPORATED, a Delaware
corporation

By 
Its Chairman and CEO

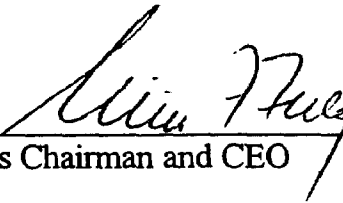
AGREED TO AND ACCEPTED:


Printed Name of Secured Party

By: 
Title: Trust Manager
Date: 11/29/01

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

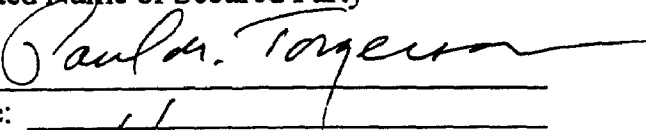
SCIENCE INCORPORATED, a Delaware corporation

By 
Its Chairman and CEO

AGREED TO AND ACCEPTED:


PAUL M. TORGERSON

Printed Name of Secured Party

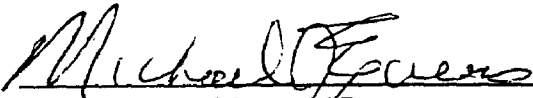
By: 
Title: _____
Date: 12/4/01

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

SCIENCE INCORPORATED, a Delaware corporation

By 
Its ~~Chairman and CEO~~
Vice President, Secretary & Treasurer

AGREED TO AND ACCEPTED:

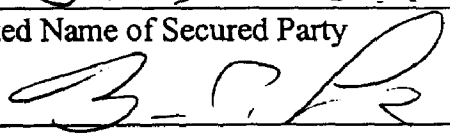

Printed Name of Secured Party
Michael J. Evers
By: _____
Title: _____
Date: 12-20-01

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

SCIENCE INCORPORATED, a Delaware corporation

By 
Its Chairman and CEO

AGREED TO AND ACCEPTED:

BRUCE C. LEECH
Printed Name of Secured Party
By: 
Title: _____
Date: Dec 12, 2001

Schedule of Permitted Encumbrances

Creditor	Collateral	UCC Financing Statement Nos.
Carl Platou, as Lender Representative for the holders of the Senior Notes due 2002	Certain patents	2276089
CLC Equipment Company	All equipment covered by lease agreement	1111876 1787422
CLC Equipment Company	All equipment	1787421
CLC Equipment Company	Land, building, fixtures, revenues and income, plans and permits	1525125
CLC Equipment Company	Real property and fixtures located at 5200 W. 78 th St., Bloomington, Minnesota	Not applicable (mortgage)

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