

11-12-2003

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Form PTO-1595

(Rev. 03/01)

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

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.102597784

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

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

1. Name of conveying party(ies):

Phibro Animal Health Corporation,
f/k/a Philipp Brothers Chemicals, Inc.Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

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

Execution Date: 10/21/03

2. Name and address of receiving party(ies)

Name: Wells Fargo Foothill, Inc.

Internal Address: Attn: Business Finance Manager

Street Address: 1000 Abernathy Road
Suite 1450

City: Atlanta State: GA Zip: 30328

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 ATTACJED

Additional numbers attached? ☒ Yes ☐ No

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

Name: Melissa R. DeVita, Esq.

Internal Address: _____

Paul, Hastings, Janofsky & Walker LLP

Street Address: 515 So. Flower St.
25th Floor

City: Los Angeles State: CA Zip: 90071

6. Total number of applications and patents involved: 12

7. Total fee (37 CFR 3.41).....\$ 480.00

- ☒ Enclosed
- ☒ Authorized to be charged to deposit account

8. Deposit account number:

16-0752

DO NOT USE THIS SPACE

9. Signature.

Melissa R. DeVita
Name of Person Signing
Signature11/10/2003
DateTotal number of pages including cover sheet, attachments, and documents: ☐

11/13/2003 10:21:11 AM 00000059 5388461

01 FC:0021

480.00

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

LA 947175.1

PATENT
REEL: 014669 FRAME: 0260

<u>Patent No.</u>	<u>Date Issued</u>	<u>Patent Title</u>
5,588,461	12/31/96	Hazardous Material Containment System
4,804,680	2/14/89	Polycyclic Ether Antibiotic
4,912,130	3/27/90	Polycyclic Ether Antibiotic
4,992,466	2/12/91	Polycyclic Ether Antibiotic
5,095,127	3/10/92	Process for Producing Polycyclic Ether Antibiotics
5,602,012	2/11/97	Microbiological Process for Making UK-61,689
5,679,563	10/21/97	Atinomadura Roseorufa for Making UK-61,689
5,693,524	12/2/97	Anticoccidial Composition of UK-61,689 and Actinomadura Mycelium
5,385,735	10/17/91	Semduramicin Premix for Anticoccidial Animal Feed
4,672,036	6/26/85	Pure cultures of Kibdelsporangium aridum
4,797,280	6/10/86	Antibiotics produced by Kibdelosporangium aridum
4,521,335	5/17/84	Aglycone and pseudo-aglycones of the AAD 216 antibiotics

PATENT SECURITY AGREEMENT

(Phibro Animal Health Corporation)

This **PATENT SECURITY AGREEMENT** (this "Agreement"), dated as of October 21, 2003, is made by **PHIBRO ANIMAL HEALTH CORPORATION**, a New York corporation, f/k/a **PHILIPP BROTHERS CHEMICALS, INC.** ("Debtor"), in favor of **WELLS FARGO FOOTHILL, INC.**, a California corporation, as arranger and administrative agent for the below-referenced Lenders (in such capacity, together with its successors and assigns, if any, in such capacity, "Agent"), with reference to the following:

WHEREAS, Debtor, Phibro Animal Health Holdings, Inc., a Delaware corporation ("PAHH"), Prince Agriproducts, Inc., a Delaware corporation ("Prince"), Phibro-Tech, Inc., a Delaware corporation ("PTI"), Phibro Animal Health U.S., Inc., a Delaware corporation ("PAHUS" and, collectively with Debtor, PAHH, Prince and PTI "Borrowers"); the lenders identified on the signature pages of the Loan Agreement (as hereafter defined), and any other person made a party thereto in accordance with the provisions of Section 14 thereof (together with their respective successors and assigns, collectively, "Lenders"); and Agent are, contemporaneously herewith, entering into that certain Loan and Security Agreement of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), pursuant to which the Lender Group (as defined hereinafter) has agreed to make certain financial accommodations to Borrowers, and pursuant to which Borrowers have granted to Agent for the benefit of the Lender Group and the Bank Product Provider security interests in (among other things) all general intangibles of Borrowers;

WHEREAS, pursuant to the Loan Documents, and as one of the conditions precedent to the obligations of the Lenders under the Loan Agreement, Debtor has agreed to execute and deliver this Agreement to Agent for filing with the PTO and with any other relevant recording systems in any domestic or foreign jurisdiction, and as further evidence of and to effectuate Agent's existing security interests in the patents and other general intangibles described herein.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, Debtor hereby agrees in favor of Agent, for the benefit of the Lender Group and the Bank Product Provider, as follows:

1. Definitions; Interpretation.

(a) Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Agent" has the meaning ascribed to such term in the preamble to this Agreement.

“Agreement” has the meaning ascribed to such term in the preamble hereto.

“Debtor” has the meaning ascribed to such term in the preamble to this Agreement.

“Event of Default” means any Event of Default under the Loan Agreement.

“Lender Group” means, individually and collectively, each of the Lenders and Agent.

“Lenders” has the meaning ascribed to such term in the recitals to this Agreement.

“Loan Agreement” has the meaning ascribed to such term in the recitals to this Agreement.

“Patent Collateral” has the meaning ascribed to such term in Section 2.

“Patents” has the meaning ascribed to such term in Section 2.

“Proceeds” means whatever is receivable or received from or upon the sale, lease, license, collection, use, exchange or other disposition, whether voluntary or involuntary, of any Patent Collateral, including “proceeds” as defined in the UCC, and all proceeds of proceeds. Proceeds shall include (i) any and all accounts, chattel paper, instruments, general intangibles, cash and other proceeds, payable to or for the account of Debtor, from time to time in respect of any of the Patent Collateral, (ii) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to or for the account of Debtor from time to time with respect to any of the Patent Collateral, (iii) any and all claims and payments (in any form whatsoever) made or due and payable to Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Patent Collateral by any Person acting under color of governmental authority, and (iv) any and all other amounts from time to time paid or payable under or in connection with any of the Patent Collateral or for or on account of any damage or injury to or conversion of or infringement of rights in any Patent Collateral by any Person.

“PTO” means the United States Patent and Trademark Office and any successor thereto.

“Secured Obligations” means, with respect to Debtor, all liabilities, obligations (including the Obligations), or undertakings owing by Debtor to the Lender Group or the Bank Product Provider of any kind or description arising out of or outstanding under, advanced or issued pursuant to, or evidenced by the Loan Agreement, this Agreement, or any of the other Loan Documents, irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, voluntary or involuntary, whether now existing or hereafter arising, and including all interest, costs, fees (including

attorneys fees), and expenses (including interest, costs, fees, and expenses that, but for the provisions of the Bankruptcy Code, would have accrued irrespective of whether a claim therefor is allowed) and any and all other amounts which Debtor is required to pay pursuant to any of the foregoing, by law, or otherwise.

“UCC” shall mean the Uniform Commercial Code as in effect from time to time in the State of New York.

“United States” and “U.S.” shall each mean the United States of America.

(b) Terms Defined in UCC. Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings ascribed to them in the UCC.

(c) Terms Defined in the Loan Agreement. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement.

(d) Interpretation. In this Agreement, except to the extent the context otherwise requires:

(i) Any reference to a Section or a Schedule is a reference to a section hereof, or a schedule hereto, respectively, and to a subsection or a clause is, unless otherwise stated, a reference to a subsection or a clause of the section or subsection in which the reference appears.

(ii) The words “hereof,” “herein,” “hereto,” “hereunder” and the like mean and refer to this Agreement as a whole and not merely to the specific section, subsection, paragraph or clause in which the respective word appears.

(iii) The meaning of defined terms shall be equally applicable to both the singular and plural forms of the terms defined.

(iv) The words “including,” “includes” and “include” shall be deemed to be followed by the words “without limitation.”

(v) References to agreements and other contractual instruments shall be deemed to include all subsequent permitted amendments, restatements, supplements, refinancings, renewals, extensions, and other modifications thereto and thereof.

(vi) References to statutes or regulations are to be construed as including all statutory and regulatory provisions consolidating, amending or replacing the statute or regulation referred to.

(vii) Any captions and headings are for convenience of reference only and shall not affect the construction of this Agreement.

(viii) In the event of a direct conflict between the terms and provisions of this Agreement and the Loan Agreement, it is the intention of the parties hereto that both such documents shall be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict between this Agreement and the Loan Agreement that cannot be resolved as aforesaid, the terms and provisions of the Loan Agreement shall control and govern; provided, however, that the inclusion herein of additional obligations on the part of Debtor and supplemental rights and remedies in favor of Agent (whether under New York law or applicable federal law), in each case in respect of the Patent Collateral, shall not be deemed a conflict with the Loan Agreement.

2. Security Interest.

(a) Assignment and Grant of Security Interests. As security for the prompt payment and performance of the Secured Obligations, Debtor hereby grants, assigns, transfers, and conveys to Agent, for the benefit of the Lender Group and the Bank Product Provider, continuing security interests in all of Debtor's right, title and interest in, to and under the following property, whether now existing or hereafter acquired or arising and whether registered or unregistered (collectively, the "Patent Collateral"):

(i) all letters patent of the U.S. or any other country, all registrations and recordings thereof, and all applications for letters patent of the U.S. or any other country, owned, held, or used by Debtor in whole or in part, including all existing U.S. patents and patent applications of Debtor which are described on Schedule A hereto, as the same may be amended or supplemented pursuant hereto from time to time, and together with and including all patent licenses held by Debtor, including such patent licenses which are described on Schedule A hereto, together with all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof and the inventions disclosed therein, and all rights corresponding thereto throughout the world, including the right to make, use, lease, sell and otherwise transfer the inventions disclosed therein, and all proceeds thereof, including all license royalties and proceeds of infringement suits (collectively, the "Patents");

(ii) all claims, causes of action and rights to sue for past, present and future infringement or unconsented use of any of the Patents and all rights arising therefrom and pertaining thereto;

(iii) all general intangibles and all intangible intellectual or other similar property of Debtor of any kind or nature, whether now owned or

hereafter acquired or developed, associated with or arising out of any of the Patents and not otherwise described above; and

(iv) all products and Proceeds of any and all of the foregoing.

(b) Continuing Security Interests. Debtor agrees that this Agreement shall create continuing security interests in the Patent Collateral which shall remain in effect until terminated in accordance with Section 17.

(c) Incorporation into Loan Agreement. This Agreement shall be fully incorporated into the Loan Agreement and all understandings, agreements and provisions contained in the Loan Agreement shall be fully incorporated into this Agreement. Without limiting the foregoing, the Patent Collateral described in this Agreement shall constitute part of the Collateral in the Loan Agreement.

(d) Licenses. Debtor may grant licenses of the Patent Collateral in accordance with the terms of the Loan Agreement.

3. Further Assurances; Appointment of Agent as Attorney-in-Fact. Debtor at its expense shall execute and deliver, or cause to be executed and delivered, to Agent any and all documents and instruments, in form and substance satisfactory to Agent, and take any and all action, which Agent, in the exercise of its discretion, may request from time to time, to perfect and continue perfected, maintain the priority of or provide notice of Agent's security interests in the Patent Collateral and to accomplish the purposes of this Agreement. If Debtor refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is requested to execute and deliver by Agent in accordance with the foregoing, Agent shall have the right to, in the name of Debtor, or in the name of Agent or otherwise, without notice to or assent by Debtor, and Debtor hereby irrevocably constitutes and appoints Agent (and any of Agent's officers or employees or agents designated by Agent) as Debtor's true and lawful attorney-in-fact with full power and authority, (i) to sign the name of Debtor on all or any of such documents or instruments, and perform all other acts, that Agent, in its discretion, deems necessary or advisable in order to perfect or continue perfected, maintain the priority or enforceability of or provide notice of Agent's security interests in, the Patent Collateral, and (ii) to execute any and all other documents and instruments, and to perform any and all acts and things for and on behalf of Debtor, which Agent, in its discretion, may deem necessary or advisable to maintain, preserve and protect the Patent Collateral and to accomplish the purposes of this Agreement, including (A) upon the occurrence and during the continuance of any Event of Default, to defend, settle, adjust or institute any action, suit or proceeding with respect to the Patent Collateral, (B) upon the occurrence and during the continuance of any Event of Default, to assert or retain any rights under any license agreement for any of the Patent Collateral, including any rights of Debtor arising under Section 365(n) of the Bankruptcy Code, and (C) upon the occurrence and during the continuance of any Event of Default, to execute any and all applications, documents, papers and instruments for Agent to use the Patent Collateral, to grant or issue

any exclusive or non-exclusive license with respect to any Patent Collateral, and to assign, convey or otherwise transfer title in or dispose of the Patent Collateral. The power of attorney set forth in this Section 3, being coupled with an interest, is irrevocable so long as this Agreement shall not have terminated in accordance with Section 17.

4. Representations and Warranties. Debtor represents and warrants, in each case, to the best of its knowledge, information, and belief, as follows:

(a) No Other Patents. A true and correct list of all material Patents owned or held (whether pursuant to a license or otherwise) by Debtor, in whole or in part, is set forth on Schedule A.

(b) Validity. Each of the Patents listed on Schedule A is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, all maintenance fees required to be paid on account of any Patents have been timely paid for maintaining such Patents in force, and, to the best of Debtor's knowledge, each of the Patents is valid and enforceable.

(c) Title. (i) Debtor owns or has rights in and to the existing Patent Collateral related to the business which is listed on Schedule A, (ii) Debtor is the sole and exclusive owner of the Patent Collateral, free and clear of any Liens and rights of others (other than Permitted Liens and nonexclusive licenses), including exclusive licenses, shop rights and covenants by Debtor not to sue third persons and (iii) with respect to any material Patent for which Debtor is either a licensor or a licensee pursuant to a license or licensee agreement regarding such Patent, each such license or licensing agreement is in full force and effect, Debtor is not in default of any of its obligations thereunder and no other Person is known by Debtor to have any rights in or to any of the Patent Collateral, other than (A) the parties to such licenses or licensing agreements, or (B) in the case of any non-exclusive license or license agreement entered into by Debtor or any such licensor regarding such Patent Collateral, the parties to any other such non-exclusive licenses or license agreements entered into by Debtor or any such licensor with any other Person. To the best of Debtor's knowledge, the past, present and contemplated future use of the Patent Collateral by Debtor has not, does not and will not infringe upon or violate any right, privilege or license agreement of or with any other Person or give any such Person the right to terminate any such right, privilege or license agreement.

(d) No Infringement. To the best of Debtor's knowledge, (i) no material infringement or unauthorized use presently is being made of any of the Patent Collateral by any Person, and (ii) the past, present and contemplated future use of the Patent Collateral by Debtor has not, does not and will not infringe upon or violate any right, privilege or license agreement of or with any other Person or give such Person the right to terminate any such license agreement.

(e) Powers. Debtor has the unqualified right, power and authority to pledge and to grant to Agent, for the benefit of the Lender Group and the Bank Product

Provider, security interests in all of the Patent Collateral owned by Debtor pursuant to this Agreement, and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person except as already obtained.

5. Covenants. Debtor covenants that so long as this Agreement shall be in effect, Debtor shall:

(a) comply with all of the covenants, terms and provisions of this Agreement, the Loan Agreement and the other Loan Documents;

(b) upon learning of an event that could have a material adverse effect on any of the Patents or the Patent Collateral, including any petition under the Bankruptcy Code filed by or against any licensor of any of the Patents for which Debtor is a licensee, promptly give Agent written notice of such event;

(c) on a continuing basis, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, including appropriate financing and continuation statements and security agreements, and take all such action as may be deemed reasonably necessary or advisable or may be requested by Agent, in the exercise of its Permitted Discretion, to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interests granted or purported to be granted hereby, to ensure Debtor's compliance with this Agreement or to enable Agent to exercise and enforce its rights and remedies hereunder with respect to the Patent Collateral. Without limiting the generality of the foregoing sentence, Debtor:

(i) hereby authorizes Agent in its sole discretion if Debtor refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is requested to execute and deliver by Agent, to modify this Agreement without first obtaining Debtor's approval of or signature to such modification by amending Schedule A hereof to include a reference to any right, title or interest in any existing Patent Collateral or Patent Collateral acquired or developed by Debtor after the execution hereof, or to delete any reference to any right, title or interest in any Patent Collateral in which Debtor no longer has or claims any right, title or interest; and

(ii) hereby authorizes Agent, in its sole discretion, to file one or more financing or continuation statements, or if Debtor refuses to execute and deliver, or fails timely to execute and deliver, any such amendment thereto it is requested to execute and deliver by Agent, any amendments thereto, relative to all or any portion of the Patent Collateral, without the signature of Debtor where permitted by law;

(d) comply, in all material respects, with all applicable statutory and regulatory requirements in connection with any and all of the Patent Collateral and give such notice of patent, prosecute such material claims, and do all other acts and take all other measures which, in Debtor's reasonable business judgment, may be necessary or desirable to preserve, protect and maintain the Patent Collateral and all of Debtor's rights therein, including the diligent prosecution of any material patent application pending as of the date of this Agreement or thereafter;

(e) comply with each of the terms and provisions of this Agreement, and not enter into any agreement (for example, a license agreement) which is inconsistent with the obligations of Debtor under this Agreement without Agent's prior written consent; and

(f) not permit the inclusion in any contract to which Debtor becomes a party of any provision that could or might impair or prevent the creation of a security interest in favor of Agent (for the benefit of the Lender Group and the Bank Product Provider) in Debtor's rights and interest in any property included within the definition of Patent Collateral acquired under such contracts.

6. Future Rights. If and when Debtor shall obtain rights to any new patentable inventions, or become entitled to the benefit of any Patent, or any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or Patent Collateral or any improvement thereof (whether pursuant to any license or otherwise), the provisions of this Agreement shall automatically apply thereto and Debtor shall give to Agent prompt notice thereof. Debtor shall do all things deemed necessary or advisable by Agent, in its discretion, to ensure the validity, perfection, priority and enforceability of the security interests of Agent in any such future acquired Patent Collateral. Debtor hereby authorizes Agent to modify, amend or supplement the Schedules hereto and to re-execute this Agreement from time to time on Debtor's behalf and as its attorney-in-fact to include any future patents which are or become Patent Collateral and to cause such re-executed Agreement or such modified, amended or supplemented Schedules to be filed with the PTO.

7. Events of Default. The occurrence of any "Event of Default" under the Loan Agreement shall constitute an Event of Default hereunder.

8. Remedies. Upon the occurrence and during the continuance of an Event of Default, Agent shall have all rights and remedies available to it under the Loan Agreement and applicable law (which rights and remedies are cumulative) with respect to the security interests in any of the Patent Collateral or any other Collateral. Debtor agrees that such rights and remedies include the right of Agent as an agent to sell or otherwise dispose of its Collateral after default, pursuant to the UCC. Debtor agrees that Agent shall at all times have such non-exclusive, royalty free licenses, to the extent permitted by law, for any Patent Collateral that is reasonably necessary to permit the exercise of any of Agent's rights or remedies upon the occurrence and during the continuation of an Event of Default with

respect to (among other things) any tangible asset of Debtor in which Agent has a security interest, including Agent's rights to sell inventory, tooling or packaging which is acquired by Debtor (or its successor, assignee or trustee in bankruptcy). In addition to and without limiting any of the foregoing, upon the occurrence and during the continuance of an Event of Default, Agent shall have the right but shall in no way be obligated to bring suit, or to take such other action as Agent, in its discretion, deems necessary or advisable, in the name of Debtor or Agent, to enforce or protect any of the Patent Collateral, in which event Debtor shall, at the request of Agent, do any and all lawful acts and execute any and all documents required by Agent in aid of such enforcement. To the extent that Agent shall elect not to bring suit to enforce such Patent Collateral, upon the occurrence and during the continuation of an Event of Default, Debtor, in the exercise of its reasonable business judgment, agrees to use all reasonable measures and its diligent efforts, whether by action, suit, proceeding or otherwise, to prevent the infringement, misappropriation or violations thereof by others and for that purpose agrees diligently to maintain any action, suit or proceeding against any Person necessary to prevent such infringement, misappropriation or violation.

9. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Debtor and Agent for the benefit of the Lender Group and the Bank Product Provider and their respective successors and assigns.

10. Notices. All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the Loan Agreement.

11. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, except to the extent that the validity or perfection of the security interests hereunder in respect of the Patent Collateral are governed by federal law, in which case such choice of New York law shall not be deemed to deprive Agent of such rights and remedies as may be available under federal law.

12. Entire Agreement; Amendment. This Agreement and the other Loan Documents, together with the Schedules hereto and thereto, contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties, as provided in the Loan Agreement. Notwithstanding the foregoing, Agent may re-execute this Agreement or modify, amend or supplement the Schedules hereto as provided in Section 6 hereof.

13. Severability. If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party, or any other provisions of this Agreement.

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

15. Loan Agreement. Debtor acknowledges that the rights and remedies of Agent with respect to the security interests in the Patent Collateral granted hereby are more fully set forth in the Loan Agreement and the other Loan Documents and all such rights and remedies are cumulative.

16. No Inconsistent Requirements. Debtor acknowledges that this Agreement and the other Loan Documents may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and Debtor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms. Debtor agrees that, to the extent of any conflict between the provisions of this Agreement and the Loan Agreement, the provisions of the Loan Agreement shall govern.

17. Termination. Upon the indefeasible payment in full in cash of the Secured Obligations, including the cash collateralization, expiration, or cancellation of all Secured Obligations, if any, consisting of letters of credit, and the full and final termination of any commitment to extend any financial accommodations under the Loan Agreement, this Agreement shall terminate and Agent shall execute and deliver such documents and instruments and take such further action reasonably requested by Debtor and at Debtor's expense as shall be necessary to evidence termination of the security interests granted by Debtor to Agent for the benefit of the Lender Group and the Bank Product Provider hereunder, including cancellation of this Agreement by written notice from Agent to the PTO.

18. Duties of Agent and the Lender Group. Notwithstanding any provision contained in this Agreement, none of Agent, any other member of the Lender Group or the Bank Product Provider, shall have any duty to exercise any of the rights, privileges or powers afforded to it and shall not be responsible to Debtor or any other Person for any failure to do so or delay in doing so. Except for the accounting for moneys actually received by Agent, any other member of the Lender Group, or the Bank Product Provider, hereunder or in connection herewith, none of Agent, any other member of the Lender Group, or the Bank Product Provider, shall have any duty or liability to exercise or preserve any rights, privileges or powers pertaining to the Patent Collateral.

[Signature page follows]

IN WITNESS WHEREOF, the Debtor has duly executed this Agreement, as of the date first above written.

**PHIBRO ANIMAL HEALTH
CORPORATION**, a New York corporation,
f/k/a **PHILIP BROTHERS CHEMICALS,
INC.**

By: 

Name: Richard G. Johnson

Title: Vice President & Chief Financial Officer

[SIGNATURE PAGE TO PATENT SECURITY AGREEMENT (PARENT-BORROWER)]

SCHEDULE A
Phibro Animal Health Corporation
Patents and Patent Applications

United States

<u>Patent No.</u>	<u>Date Issued</u>	<u>Patent Title</u>
5,588,461	12/31/96	Hazardous Material Containment System
4,804,680	2/14/89	Polycyclic Ether Antibiotic
4,912,130	3/27/90	Polycyclic Ether Antibiotic
4,992,466	2/12/91	Polycyclic Ether Antibiotic
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5,385,735	10/17/91	Semduramicin Premix for Anticoccidial Animal Feed
4,672,036	6/26/85	Pure cultures of Kibdelsporangium aridum
4,797,280	6/10/86	Antibiotics produced by Kibdelosporangium aridum
4,521,335	5/17/84	Aglycone and pseudo-aglycones of the AAD 216 antibiotics

TITLE: POLYCYCLIC ETHER ANTIBIOTICS

INVENTORS: GOUDIE, ALEXANDER C; WALSH, NIGEL D A

1ST FILED: 01AU1986 - Great Britain

Country	App. No.	App. Date	Pat. No.	Grant Date	Expiration Date
Argentina	308272	28JL1987	245728	28FR1994	28FE2009
Australia	76222/87	29JL1987	572420	28SE1988	29JL2007
Austria	A2928/87C07D	05NO1987	388380	15NO1988	05NO2007
Austria	EP0255335	28JL1987	E60784	06FE1991	28JL2007
Belgium	87306649.2	28JL1987	EP0255335	06FE1991	28JL2007
Bulgaria	96081	17MR1992	62227	17JE1999	28JL2007
Canada	543349	30JL1987	1318318	25MY1993	25MY2010
Chile	4 85/87	07AU1987	36053	10FR1988	10FE2003
China P.R.	87105304	29JL1987	23336	27JE1993	29JL2007
Cyprus	1720	22AP1993	1720	17MY1993	28JL2007
Czech Republic	PV5724/87	31JL1987	271477	18 OC1990	31JL2007
Czech Republic	PV3540/91	22NO1991			
Denmark	3997/87	31JL1987	171134	24JE1996	31JL2007
Ecuador	SP-94-1130	26JL1994	P198-009	01AU1996	28JL2007
European Patent Convention	87306649.2	28JL1987	EP0255235	06F51991	28JL2007
Finland	873326	30JL1987	86188	27JL1992	30JL2007
Finland	915829	11DE1991	89368	27SE1993	30JL2007
France	87306649.2	28JL1987	EP0255335	06FE1991	28JL2007
Great Britain	87306649.2	28JL1987	EP0255335	06FE1991	28JL2007
East Germany	C07D/305597 .2	31JL1987	280105	27JE1990	31JL2007
West Germany	EP0255335	28JL1987	P3767941.4	06FE1991	28JL2007
Greece	EP0255335	28JL1987	3001582	06FE1991	28JL2007
Hong Kong	659/1993	06FE1991	659/1993	06F51991	28JL2007
Hungary	3537/87	31JL1987	196424	23AU1988	31JL2007
Indonesia	P002962	12MY1992	1D0000099	23FE1995	12MY2012
Ireland	2081/87	31JL1987	60669	02AU1994	31JL2007
Israel	83378	30JL1987	83378	13AU1991	30JL2007
Italy	87306649.2	28JL1987	EP0255335	06FE1991	28JL2007
Japan	192507/87	31JL1987	1863331	08AU1994	31JL2007
Korea South	8467/87	01AU1987	31436	210C1989	01AU2007
Latvia	P931086	31JL1987	5623	10MY1994	31JL2007

Country	App. No.	App. Date	Pat. No.	Grant Date	Expiration Date
Luxembourg	87306649.2	28JL1987	EP0255335	06FE1991	28JL2007
Macao	85463	30JL1987	85463	11DE1989	30JL2007
Malaysia	PI8701134	27JL1987	MY100945A	31MY1991	31MY2006
Mexico	7556	31JL1987	180569	09JA1996	31JL2007
Netherlands	87306649.2	28JL1987	EP0255335	06FE1991	28JL2007
New Zealand	221297	31JL1987	221297	08SE1989	31JL2007
Nigeria	233/87	31JL1987	RP10247	01NO1988	31JL2007
Norway	873034	20JL1987	165678	17AP1991	20JL2007
Philippines	35611	31JL1987	23632	27SE1989	27SE2006
Portugal	85463	30JL1987	85463	11DE1989	30JL2007
Romania	129239	29JL1987	99491	22JE1992	29JL2007
Romania	20050	25JE1998	2.021 T	30NO1999	28JL2007
South Africa	87/5677	31JL1987	87/5677	29MR1989	31JL2007
Singapore	BRITISH REG	28JL1987	9390491-0	26MY1993	28JL2007
Spain	87306649.2	28JL1987	EP0255335	06FE1991	28JL2007
Sweden	87306649.2	28JL1987	EP0255335	06FE1991	28JL2007
Switzerland	87306649.2	28JL1987	EP0255335	06FE1991	28JL2007
Taiwan	76104551	03AU1987	NI-39457	01JE1990	03AU2007
Thailand	5791	27JL1987	3728	12MY1994	27JL2007
Ukraine	NOT KNOWN	31JL1987	8042	26DE1995	31JL2007
U.S.S.R.	4203084.04	31JL1987	1510718	22MR1989	31JL2007
Uzbekistan	0044	16MY1994	1681	21JE1996	31JL2007
Yugoslavia	P1443/87	31JL1987			

TITLE: ANTICOCCIDIAL BY FERMENTATION

INVENTORS: TYNAN III, EDWARD J; MAEDA, HIROSHI; TONE, JUNSUKE

1ST FILED: 26OC1987 - United States

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Austria	EP0314330	10OC1988	E95568	06OC1993	10OC2008
Belgium	88309429.4	10OC1988	EP0314330	06OC1993	10OC2008
Canada	581093	24OC1988	1340204	15DE1998	15DE2015
China P.R.	88107345.8	25OC1988	27324	01JE1994	25OC2008
China P.R.	93112752.1	14DE1993	93112752.1	30JL1999	25OC2008
China P.R.	93112750.5	14DE1993	59265	21JL2000	25OC2008
Denmark	5913/88	25OC1988	171880	28JL1997	25OC2008
European Patent Convention	88309429.4	10OC1988	E90314330	06OC1993	10OC2008
France	88309429.4	10OC1988	EP0314330	06OC1993	10OC2008
Great Britain	88309429.4	10OC1988	EP0314330	06OC1993	10OC2008
West Germany	EP0314330	10OC1988	P3884741.8	06OC1993	10OC2008
Greece	EP0314330	10OC1988	3009270	06OC1993	10OC2008
Hungary	5582/88	25OC1988	201805	28SE1990	25OC2008
Hungary	5340/89	25OC1988	205168	15NO1991	25OC2008
Ireland	3216/88	25OC1988	61961	29NO1994	25OC2008
Israel	88088	19OC1988	88088	19NO1992	19OC2008
Italy	88309429.4	10OC1988	EP0314330	06OC1993	10OC2008
Japan	270625/88	26OC1988	1876010	05JA1994	26OC2008
Luxembourg	88309429.4	10OC1988	EP0314330	06OC1993	10OC2008
Mexico	26501	09SE1988	177793	27AP1995	09SE2008
Netherlands	88309429.4	10OC1988	EP0314330	06OC1993	10OC2008
New Zealand	226690.	25OC1988	226690	18MY1992	25OC2008
Philippines	37689	17OC1988	26344	29AP1992	29AP2009
Poland	P275509	26OC1988	160804	10SE1994	26OC2008
Portugal	88836	24OC1988	88836	24JL1992	24OC2008
South Africa	88/7926	24OC1988	88/7926	27JE1990	24OC2008
Spain	88309429.4	10OC1988	EP0314330	06OC1993	10OC2008
Sweden	82309429.4	10OC1988	EP0314330	06OC1993	10OC2008
Switzerland	88309429.4	10OC1928	EP0314330	06OC1993	10OC2008
Yugoslavia	P1988/88	25OC1988	46576	22JL1993	25OC2008
Yugoslavia	1945/89	09OC1989	47024	05AU1994	25OC2008

TITLE: PREMIX FORMULATION FOR SEMDURAMICIN IN ANIMAL FEED
INVENTORS: LLOYD ROBERT J GRIZZUTI ANTONIO
1ST FILED: 16N01990 - United States

Country	App. No.	App. Date	Pat. No.	Grant Dt	Exp Dt.
Argentina	321250	14NO1991	253059	10FE1999	10FE2014
A.R.I.P.O.	AP/P/91/00334	11NO1991	AP260	03JE1993	11NO2011
Australia	88638/91	17OC1991	653970	28FE1995	17OC2011
Austria	EPO558525	17OC1991	E116107	28DE1994	17OC2011
Bangladesh	98/91	13NO1991	1002438	13MR1994	13NO2007
Belgium	91919504 .0	17OC1991	EP0558525	28DE1994	17OC2011
Botswana	AP/P/91/00334	11NO1991	AP260	03JE1993	11NO2011
Brazil	PI9106965	17OC1991			
Bulgaria	97739	17OC1991	60894	21JL1997	17OC2011
Canada	2095138	17OC1991	2095138	09JA1996	17OC2011
Chile	1090-91	07NO1991	40097	30AU1999	30AU2014
China P.R.	91110693.6	15NO1991	46055	27FE1999	15NO2011
Colombia	350500	13NO1991	24991	22FE1996	13NO2011
Cyprus	1974	14AU1997	1974	14AU1997	17OC2011
Czech Republic	PV3873-92	17OC1991	281357	08JL1996	17OC2011
Denmark	91919504.0	17OC1991	EP0558525	28DE1994	17OC2011
European Patent Convention	91919504.0	17OC1991	EP0558525	28DE1994	17OC2011
Finland	932197	17OC1991	109760	15OC2002	17OC2011
France	91919504.0	17OC1991	EP0558525	28DE1994	17OC2011
Gambia	AP/P/91/00334	11NO1991	AP260	03JE1993	11NO2011
Great Britain	91919504.0	17OC1991	EP0558525	28DE1994	17OC2011
Germany	EP0558525	17OC1991	P691063893	28DE1994	17OC2011
Greece	EP05585245	17OC1991	3015137	28DE1994	17OC2011
Hong Kong	2192/1996	24DE1996	2192/1996	24DE1996	17OC2011
Hungary	P9301409	17OC1991	218410	01JE2000	17OC2011
Indonesia	P000919	16NO1991	1D0000142	12MY1995	16NO2011
Ireland	3978/91	15NO1991	64741	14AU1995	15NO2011
Israel	100004	08NO1991	100004	01NO1995	08NO2011
Italy	91919504.0	17OC1991	EP0558525	28DE1994	17OC2011
Jamaica	18/1/3751	05NO1996	3297	26FE2002	
Japan	517590/91	17OC1991	2045337	09AP1996	17OC2011
Kenya	AP/P/91/00334	11NO1991	AP260	03JE1993	11NO2008
Korea South	93-701457	17OC1991	197451	24FE1999	17OC2011

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Mauritius	60372	17OC1991	10083	18DE1996	18DE2010
Malawi	AP/P/91/00334	11NO1991	AP260	03JE1993	11NO2011
Malaysia	P19102113	15NO1991	MY108651A	31001996	31OC2011
Mexico	9102079	15NO1991			
Morocco	22624	15NO1991	22341	01JL1992	15NO2011
Netherlands	91919504.0	17OC1991	EP0558525	28DE1994	17OC2011
New Zealand	240614	15NO1991			
Nigeria	205/91	05NO1991	RP11164	13DE1991	05NO2011
Norway	931777	17OC1991	306594	29NO1999	17OC2011
Pakistan	420/91	22OC1991	132934	12DE1993	22OC2007
Peru	193532	15NO1991	362	26JA1995	15NO2011
Philippines	43440	12NO1991	29988	15JL1997	15JL2014
Poland	P299060	17OC1991			
Portugal	99526	15NO1991	99526	26JA1999	26JA2014
Romania	93-00663	17OC1991	111820	31JA1997	17OC2011
South Africa	91/9055	15NO1991	91/9055	30JE1993	15NO2011
Singapore	BRITISH REG	17OC1991	96906680	15JE1996	17OC2011
Slovak Republic	PV3873-92	17OC1991	278543	12MY1997	17OC2011
Spain	91919504.0	17OC1991	EP0558525	28DE1994	17OC2011
Sudan	AP/P/91/00334	11NO1991	A9260	03JE1993	11NO2011
Sweden	91919504.0	17OC1991	EP0558525	28DE1994	17OC2011
Switzerland	91919504.0	17OC1991	EP0558525	28DE1994	17OC2011
Taiwan	80108376	23OC1991	NI-62232	17SE1993	23OC2011
Turkish Cyprus	32	16DE1996	32	19DE1996	17OC2011
Thailand	14766	04NO1991	8099	16JE1998	04NO2011
Trinidad	960081	11OC1996	960081	11OC1996	17OC2011
Uganda	AP/P/91/00334	11NO1991	AP260	03JR1993	11NO2011
Ukraine	93002103	17OC1991	27097	28FE2000	17OC2011
Uruguay	23323	14NO1991	13.576	15JL1998	14NO2011
U.S.S.R.	93032318.15	17NO1991	2075945	27MR1997	17OC2011
Yugoslavia	P1800/91	15NO1991			
Zaire	NP/29/EXT/91	16NO1991	91/3326	30NO1992	16NO2011
Zambia	AP/P/91/00334	11NO1991	AP260	03JE1993	11NO2011
Zimbabwe	AP/P/91/00334	11NO1991	AP260	03JE1993	11NO2011

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 INVENTORS: BOWIE, BETTY A; NEWMAN, DAVID J; SHEARER, MARCIA C; SITRIN,
 ROBERT D
 1ST FILED 13JL1983 - United States

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Belgium	84304735 8	11JL1984	EP0132118	11OC1989	11JL2004
Canada	458407	09JL1984	1210721	02SE1986	09JL2004
European Patent Convention	84304735.8	11JL1984	EP0132 118	11OC1989	11JL2004
France	84304735.8	11JL1984	EP0132118	11OC198 9	11JL2004
Great Britain	84304735.8	11JL1984	EP0122118	11OC1989	11JL2004
West Germany	EP0132118	11JL1984	P3480092.1	11OC1989	11JL2004
Greece	75243/A	09JL1984	81.517	11DE1984	09JL2004
Italy	84304735.8	11JL198:4	EP0132118	11OC1989	11JL2004
Japan	145866/84	12JL1984	1965270	25AUI995	12JL2004
Japan	161302/93	30JE1993	2104088	06NO1996	12JL2004
Japan	147299/95	14JE1995	2594777	19DE1996	12JL2004
Japan	147301/95	14JE1995	2594778	19DE1996	12JL2004
Japan	331312/93	27DE1993	2603047	29JA1997	30JE2013
Luxembourg	84304735.8	11JL1984	EP0132118	11OC1989	11JL2004
Netherlands	84304735.8	11JL1984	EP0132118	11OC1989	11JL2004
Spain	534248	12JL1984	534248-1	21MR1 985	21MR2005
Sweden	84304735.8	11JL1984	EP0132118	11OC1989	11JL2004
Switzerland	84304735.8	11JL1984	EP0132118	11OC1989	11JL2004

TITLE: THE AGLYCON AND PSEUDOAGLYCONES OF THE AAD 216 ANTIBIOTICS
 INVENTORS: CHAN, GEORGE W; SITRIN, ROBERT D
 1ST FILED: 13JL1983 - United States

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Australia	30410/84	09JL1984	565151	09JL1984	09JL2004
Austria	ES0268	11JL1984	EP0132116	07F51990	11JL2004
Belgium	84304733.3	11JL1984	EP0132116	07FE1990	11JL2004
Canada	458408	09JL1984	1238315	21JE1988	21JE2005
Denmark	3408/84	11JL1984	162772	27AP1992	11JL2004
European Patent Convention	84304733.3	11JL1984	EP0132116	07FE1990	11JL2004
France	84304733.3	1 JL1984	EP0132116	07FE1990	11JL2004
Great Britain	84304733.3	11JL1984	EP0132116	07F51990	11JL2004
West Germany	590132116	11JL1984	P3481307.1	07FE1990	11JL2004
Greece	75244A	09JL1984	81499	11DE1984	09JL2004
Hong Kong	500/1993	20MY1993	500/1993	20MY1993	11JL2004
Ireland	1761/84	10JL1984	57869	05MY1993	10JL2004
Italy	84304733.3	11JL1984	EP0132116	07FE1990	11JL2004
Japan	145868/84	12JL1984	2551550	22AU1996	12JL2004
Luxembourg	84304733.3	11JL1984	EP0132116	07FE1990	11JL2004
Netherlands	84304733.3	11JL1984	EP0122116	07FE1990	11JL2 004
Portugal	78878	10JL1984	78878	09DE1986	10JL2004
South Africa	84/5334	11JL1984	84/ 5334	29MY1985	11JL2004
Singapore	9390097-5	02FE1993	23491	23FE1993	11JL2004
Spain	534249	12JL1984	534249	13SE1985	13SE2005
Spain	545185	15JL1985	545185	25OC1985	25OC2005
Sweden	84304733.3	11JL1984	EP0132116	07FE1990	11JL2004
Switzerland	84304733.3	11JL1984	EP0132116	07FE1990	11JL2004
Trinidad	7/1993	05FE1993	7/1993	05FE1993	11JL2004

Patent Licenses

None.

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