

TRADEMARK ASSIGNMENT

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

<b>CONVEYING PARTY DATA</b>			
Name	Formerly	Execution Date	Entity Type
AvKare, Inc.		06/20/2012	CORPORATION: TENNESSEE

<b>RECEIVING PARTY DATA</b>	
Name:	Wells Fargo Bank, National Association
Street Address:	301 S. Collete Street, Suite 2200
City:	Charlotte
State/Country:	NORTH CAROLINA
Postal Code:	28202
Entity Type:	National Association: NORTH CAROLINA

<b>PROPERTY NUMBERS Total: 3</b>		
Property Type	Number	Word Mark
Registration Number:	3985104	AVKARE
Registration Number:	4069887	AV PAK
Registration Number:	4078268	AV PAK

<b>CORRESPONDENCE DATA</b>	
Fax Number:	2125414630
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>	
Phone:	212-541-2000
Email:	nyuspto@bryancave.com
Correspondent Name:	Patricia L. Werner/Bryan Cave LLP
Address Line 1:	1290 Avenue of the Americas
Address Line 4:	New York, NEW YORK 10104

ATTORNEY DOCKET NUMBER:	0336337/AVKARE-WFB
NAME OF SUBMITTER:	Patricia L. Werner

CH \$90.00 3985104

Signature:	/patricialwerner/
Date:	06/27/2012
<b>Total Attachments: 7</b> source=AVKARE-WELLS.FARGO.TM.SECURITY.AGMT#page1.tif source=AVKARE-WELLS.FARGO.TM.SECURITY.AGMT#page2.tif source=AVKARE-WELLS.FARGO.TM.SECURITY.AGMT#page3.tif source=AVKARE-WELLS.FARGO.TM.SECURITY.AGMT#page4.tif source=AVKARE-WELLS.FARGO.TM.SECURITY.AGMT#page5.tif source=AVKARE-WELLS.FARGO.TM.SECURITY.AGMT#page6.tif source=AVKARE-WELLS.FARGO.TM.SECURITY.AGMT#page7.tif	

## PATENT AND TRADEMARK SECURITY AGREEMENT

This Patent and Trademark Security Agreement (this "Agreement"), dated as of June 26, 2012, is made by and between AvKare, Inc., a Tennessee corporation having a business location at the address set forth below next to its signature (the "Debtor"), and Wells Fargo Bank, National Association ("Wells Fargo"), having a business location at the address set forth below next to its signature.

### Recitals

A. Debtor and Wells Fargo are parties to a Credit and Security Agreement (as amended, supplemented or restated from time to time, the "Credit Agreement") dated the same date as this Agreement, setting forth the terms on which Wells Fargo may now or hereafter extend credit to or for the account of Debtor.

B. As a condition to extending credit to or for the account of Debtor, Wells Fargo has required the execution and delivery of this Agreement by Debtor.

ACCORDINGLY, in consideration of the mutual covenants contained in the Loan Documents and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Credit Agreement that are not otherwise defined herein shall have the meanings given to them in the Credit Agreement. In addition, the following terms have the meanings set forth below:

"Patents" means patents and patent applications, including (i) the patents and patent applications listed on Exhibit A (ii) all continuations, divisionals, continuations-in-part, re-examinations, reissues, and renewals thereof and improvements thereon, (iii) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past, present, or future infringements thereof, (iv) the right to sue for past, present, and future infringements thereof, and (v) all of each Loan Party's rights corresponding thereto throughout the world.

"Security Interest" has the meaning given in Section 2.

"Trademarks" means any and all trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including (i) the trade names, registered trademarks, trademark applications, registered service marks and service mark applications listed on Exhibit B, (ii) all renewals thereof, (iii) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (iv) the right to sue for past, present and future infringements and dilutions thereof, (v) the goodwill of each Loan Party's business symbolized by the foregoing or connected therewith, and (vi) all of each Loan Party's rights corresponding thereto throughout the world.

2. Security Interest. Debtor hereby irrevocably pledges and assigns to, and grants Wells Fargo a security interest (the "Security Interest") with power of sale to the extent permitted by law,

in the Patents and in the Trademarks to secure payment of the Indebtedness. As set forth in the Credit Agreement, the Security Interest is coupled with a security interest in substantially all of the personal property of Debtor. This Agreement grants only the Security Interest herein described, is not intended to and does not affect any present transfer of title of any trademark registration or application and makes no assignment and grants no right to assign or perform any other action with respect to any intent to use trademark application, unless such action is permitted under 15 U.S.C. § 1060.

3. Representations, Warranties and Agreements. Debtor represents, warrants and agrees as follows:

(a) **Existence; Authority.** 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 on the part of Debtor.

(b) **Patents.** Exhibit A accurately lists all Patents owned or controlled by Debtor as of the date hereof, or to which Debtor has a right as of the date hereof to have assigned to it, and accurately reflects the existence of applications and letters patent pertaining to the Patents as of the date hereof.

(c) **Trademarks.** Exhibit B accurately lists all Trademarks owned or controlled by Debtor as of the date hereof and accurately reflects the existence of Trademarks and all applications and registrations pertaining thereto as of the date hereof; provided, however, that Exhibit B need not list common law marks (i.e., Trademarks for which there are no applications or registrations) which are not material to Debtor's or any Affiliate's business(es).

(d) **Title.** Debtor has absolute title to each Patent and each Trademark listed on Exhibits A and B, free and clear of all Liens except Permitted Liens. Debtor (i) will have, at the time Debtor acquires any rights in Patents or Trademarks hereafter arising, absolute title to each such Patent or Trademark free and clear of all Liens except Permitted Liens, and (ii) will keep all Patents and Trademarks free and clear of all Liens except Permitted Liens.

4. Debtor's Use of the Patents and Trademarks. Debtor shall be permitted to control and manage the Patents and Trademarks, including the right to exclude others from making, using or selling items covered by the Patents and Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) an Event of Default, as defined in the Credit Agreement, shall occur; or (b) Debtor shall fail promptly to observe or perform any covenant or agreement herein binding on it in any material respect; or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies. Upon the occurrence and continuation of an Event of Default and at any time thereafter, Wells Fargo may, at its option, take any or all of the following actions:

(a) Wells Fargo may exercise any or all remedies available under the Credit Agreement.

(b) Wells Fargo may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks.

(c) Wells Fargo may enforce the Patents and Trademarks and any licenses thereunder, and if Wells Fargo shall commence any suit for such enforcement, Debtor shall, at the request of Wells Fargo, do any and all lawful acts and execute any and all proper documents required by Wells Fargo in aid of such enforcement.

7. Miscellaneous. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by Wells Fargo. A waiver signed by Wells Fargo 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 Wells Fargo's rights or remedies. All rights and remedies of Wells Fargo shall be cumulative and may be exercised singularly or concurrently, at Wells Fargo's option, 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 under this Agreement shall be given in the manner and with the effect provided in the Credit Agreement. Wells Fargo shall not be obligated to preserve any rights Debtor may have against prior parties, to realize on the Patents and Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Patents and Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of Debtor and Wells Fargo and their respective participants, successors and assigns and shall take effect when signed by Debtor and delivered to Wells Fargo, and Debtor waives notice of Wells Fargo's acceptance hereof. Wells Fargo may execute this Agreement if appropriate for the purpose of filing, but the failure of Wells Fargo to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by Debtor shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of North Carolina without regard to conflicts of law provisions. 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 Indebtedness. The parties hereto agree that, in the event of a conflict between the terms and provisions of this Agreement and any term or provision contained in the Credit Agreement, the terms and provisions of the Credit Agreement shall control and govern.

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**THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.**

IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above.

AvKare, Inc.  
615 North First Street  
Pulaski, TN 38478

AVKARE, INC.  
By: Steve Shirley Exec VP  
Name: Steve Shirley  
Title: Executive Vice President

Wells Fargo Bank, National Association  
301 S. College Street, Suite 2200  
Charlotte, NC 28202  
Attn: Portfolio Management

WELLS FARGO BANK, NATIONAL ASSOCIATION  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF KY )  
 )  
COUNTY OF BARREN )

The foregoing instrument was acknowledged before me this 20th day of June, 2012, by Steve Shirley, the Executive Vice President of AvKare, Inc., a Tennessee corporation, on behalf of the company.

[Signature]  
Notary Public  
JP 10/19/2012

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_ day of June, 2012, by \_\_\_\_\_, an Authorized Signatory of Wells Fargo Bank, National Association, on behalf of the national association.

\_\_\_\_\_  
Notary Public

**THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.**

IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above.

AvKare, Inc.  
615 North First Street  
Pulaski, TN 38478

AVKARE, INC.  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Wells Fargo Bank, National Association  
301 S. College Street, Suite 2200  
Charlotte, NC 28202  
Attn: Portfolio Management

WELLS FARGO BANK, NATIONAL ASSOCIATION  
By: Karen Kenney  
Name: Karen S. Kenney  
Title: Vice President

STATE OF \_\_\_\_\_ )  
  )  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_ day of June, 2012, by \_\_\_\_\_, the President of AvKare, Inc., a Tennessee corporation, on behalf of the company.

\_\_\_\_\_  
Notary Public

STATE OF COLORADO )  
  )  
COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 19 day of June, 2012, by Karen S. Kenney, an Authorized Signatory of Wells Fargo Bank, National Association, on behalf of the national association.

Sheila M. Jordan  
Notary Public

My Commission Expires: 7-20-2013

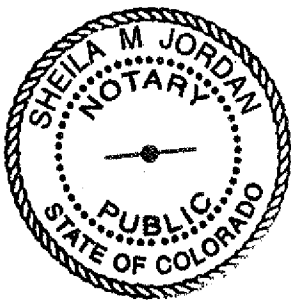


EXHIBIT A

UNITED STATES ISSUED PATENTS

Title	Patent Number	Issue Date
NONE		

UNITED STATES PATENT APPLICATIONS

Title	Serial Number	Filing Date
NONE		

FOREIGN ISSUED PATENTS

Title	Country	Patent Number	Issue Date
NONE			

UNITED STATES PATENT APPLICATIONS

Title	Serial Number	Filing Date
NONE		



EXHIBIT B

UNITED STATES ISSUED TRADEMARKS, SERVICE MARKS

AND COLLECTIVE MEMBERSHIP MARKS

REGISTRATIONS

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
AVKARE	3985104	June 28, 2011
AV PAK	4069887	December 13, 2011
AV PAK	4078268	December 27, 2011

APPLICATIONS

NONE

COLLECTIVE MEMBERSHIP MARKS

NONE

UNREGISTERED MARKS

NONE