

Exhibit A

SECURED CONVERTIBLE PROMISSORY NOTE

\$10,000,000

August 15, 2007

FOR VALUE RECEIVED, ZINK Imaging, Inc., a Delaware corporation (the "Borrower"), promises to pay to the order of Petters Company, Inc., or its successors or assigns (collectively, the "Lender"), at its office at 4400 Baker Road, Minnetonka, Minnesota 55343, or at such other place as may be designated from time to time by the holder hereof, in lawful money of the United States of America, the principal sum of \$10,000,000 or such greater or less amount advanced hereunder, together with interest on the unpaid principal balance hereof from the date any advance has been made until this Note is fully paid, at the Interest Rate.

1. **Advances.** Advances shall be made from time-to-time hereunder in accordance with, and as contemplated by and subject to the terms of, that certain Purchase Agreement of even date herewith (as amended from time to time, the "**Purchase Agreement**").

2. **Interest Rate.** As used herein, "**Interest Rate**" shall mean 12% per annum. Notwithstanding the foregoing, from and after the occurrence of any Event of Default (as defined below) or any default which with the giving of notice or passage of time or both would constitute an Event of Default and continuing thereafter until such Event of Default or default shall be remedied to the written satisfaction of Lender, the Interest Rate shall, at the election of Lender, be that rate of interest equal to the rate that would otherwise be then in effect plus 4%.

3. **Interest; Payments.** Included in the amounts deemed advance hereunder shall be interest accrued but unpaid on previous advances made by the Lender. The principal balance of this Note, together with all accrued and unpaid interest, shall be due and payable in full on June 30, 2009 (the "**Expiration Date**").

4. **Limited Subordination.** This Note is subordinated to payment of the \$8,000,000 owing by the Borrower to Polaroid Corporation with respect to certain technology acquired by the Borrower from Polaroid Corporation. Except with respect to the foregoing obligation, this Note shall rank senior to all other obligations and indebtedness of the Borrower, except for that indebtedness for which the Lender has expressly agreed in writing to be subordinated to pursuant to a separate subordination agreement entered into by the Lender and the holder of such indebtedness.

5. **Conversion.** The Lender at its option may convert some or all of the principal amount and accrued interest under this Note in shares of the Company's Series B Preferred Stock at a per share purchase price equal to \$13.5514 (as equitably adjusted for any stock splits, stock dividends or similar events with respect to such shares of Series B Preferred Stock). In the event that the Lender elects to exercise its conversion right, the Lender shall provide the Company with written notice of its election. The conversion will be effected on the date specified in such notice, and the Company will deliver to the Lender a certificate within three business days thereafter representing a number of duly authorized, fully paid and non assessable shares of Series B Preferred Stock of the Company for the amount so converted. The Borrower covenants and agrees to reserve a sufficient number of shares of its shares of Series B Preferred Stock for issuance upon conversion hereof.

6. **No Prepayments.** The Borrower may not prepay this Note in whole or in part without the Lender's written consent.

7. **Accelerated Payments.** Upon the occurrence of an Event of Default (as defined below) and the acceleration of this Note as provided below, this Note shall be immediately due and payable in full. **THE BORROWER ACKNOWLEDGES THAT THE LENDER MAY DEMAND PAYMENT OF THIS NOTE AT ANY TIME WHEN A EVENT OF DEFAULT HAS OCCURRED.**

8. **Manner of Payments.** Payments and prepayments of principal of, and interest on, this Note and all fees, expenses and other obligations under this Note, the Security Agreement, Deed of Trust and other Transaction Agreements (as defined in the Purchase Agreement (collectively, the "**Transaction Agreements**") shall be made without set-off or counterclaim in immediately available funds not later than 2:00 p.m., Minneapolis time, on the dates due at the Lender's office in Minnetonka, Minnesota. Funds received on any day after such time shall be deemed to have been received on the next business day. Whenever any payment to be made hereunder or under any other Transaction Agreement shall be stated to be due on a day which is not a business day, such payment shall be made on the next succeeding business day and such extension of time shall be included in the computation of any interest or fees.

9. **Application of Payments.** The Lender shall enter in its records the amount of the payments made on or with respect to this Note, and such records shall be deemed conclusive evidence of the subject matter thereof, absent manifest error.

10. **Security.** This Note is secured by the Security Agreement and a [Deed of Trust] dated as of the date hereof (the "**Security Documents**") given by the Borrower to the Lender. In addition, as security for the prompt satisfaction of all the Borrower's obligations to the Lender, the Borrower hereby assigns and transfers to the Lender all of its right, title and interest in and to, and grants to the Lender a lien on and a security interest in, any amounts which may be owing from time to time by the Lender to the Borrower in any capacity, which lien and security interest shall be independent of any right of setoff which the Lender may have.

11. **Representations and Warranties.** To induce the Lender to accept this Note, the Borrower represents and warrants to the Lender as follows (for purposes hereof, the Borrower shall include its subsidiaries):

(a) **Organization, Standing, Etc.** The Borrower is a corporation duly organized and validly existing and in good standing under the laws of the State of Delaware, and has all requisite corporate power and authority to carry on its businesses as now conducted, to enter into the Transaction Agreements and to perform its obligations under the Transaction Agreements. The Borrower is duly qualified and in good standing as a foreign entity in each jurisdiction in which the character of the properties owned, leased or operated by it or the business conducted by it makes such qualification necessary.

(b) Authorization and Validity. The execution, delivery and performance by the Borrower of the Transaction Agreements have been duly authorized by all necessary corporate action by the Borrower, and the Transaction Agreements constitute the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, subject to limitations as to enforceability which might result from bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights generally and subject to limitations on the availability of equitable remedies.

(c) No Conflict; No Default. The execution, delivery and performance by the Borrower of the Transaction Agreements will not (a) violate any provision of any law, statute, rule or regulation or any order, writ, judgment, injunction, decree, determination or award of any court, governmental agency or arbitrator presently in effect having applicability to the Borrower, (b) violate or contravene any provisions of the certificate of incorporation or the bylaws of the Borrower, or (c) result in a breach of or constitute a default under any indenture, loan or credit agreement or any other agreement, lease or instrument to which the Borrower is a party or by which it or any of its properties may be bound or result in the creation of any lien, security interest or other encumbrance (collectively, "Liens") on any asset of the Borrower, other than Liens in favor of the Lender. The Borrower is not in default under or in violation of any such law, statute, rule or regulation, order, writ, judgment, injunction, decree, determination or award or any such indenture, loan or credit agreement or other agreement, lease or instrument.

(d) Compliance. The Borrower is in material compliance with all statutes and governmental rules and regulations applicable to it.

(e) Environmental, Health and Safety Laws. There does not exist any violation by the Borrower of any applicable federal, state or local law, rule or regulation or order of any government, governmental department, board, agency or other instrumentality relating to environmental, pollution, health or safety matters which will or threatens to impose a material liability on the Borrower or which would require a material expenditure by the Borrower to cure. The Borrower has not received any notice to the effect that any part of its operations or properties is not in material compliance with any such law, rule, regulation or order or notice that it or its property is the subject of any governmental investigation evaluating whether any remedial action is needed to respond to any release of any toxic or hazardous waste or substance into the environment.

(f) Ownership of Property; Liens. The Borrower has good and marketable title to its real properties and good and sufficient title to its other properties. None of the Collateral (as defined in the Security Agreement) is subject to a Lien, except for Liens in favor of the Lender or except as Lender has otherwise consented to in writing.

(g) Taxes. The Borrower has filed all federal, state and local tax returns required to be filed and has paid or made provision for the payment of all taxes due and payable pursuant to such returns and pursuant to any assessments made against it or any

of its property and all other taxes, fees and other charges imposed on it or any of its property by any governmental authority (other than taxes, fees or charges the amount or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with generally accepted accounting principles (“GAAP”) have been provided on the books of the Borrower). No tax Liens have been filed and no material claims are being asserted with respect to any such taxes, fees or charges. The charges, accruals and reserves on the books of the Borrower in respect of taxes and other governmental charges are adequate.

(h) Licenses and Permits. The Borrower has and possesses adequate licenses, certificates, permits, franchises, patents, copyrights, trademarks and trade names, or rights thereto, to conduct its business substantially as now conducted and as presently conducted and to own and operate its properties. There does not exist and to Borrower’s knowledge there is no reason to anticipate that there may exist, any liability to the Borrower with respect to any claim of infringement regarding any franchise, patent, copyright, trademark or trade name possessed or used by the Borrower.

(i) Government Consent. No order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by, any governmental or public body or authority is required on the part of the Borrower to authorize, or is required in connection with the execution, delivery and performance of, or the legality, validity, binding effect or enforceability of, the Transaction Agreements, other than the filing of the UCC financing statement(s) naming the Borrower as debtor and the Lender as the secured party.

(j) Financial Projections and Statements. The Borrower’s projections as heretofore furnished to the Lender are based upon the Borrower’s reasonable expectations of the Borrower’s operations for the time periods specified and were prepared in good faith. The Borrower’s financial statements as heretofore furnished to the Lender, have been prepared in accordance with GAAP applied on a consistent basis throughout the periods indicated and fairly present the financial condition of the Borrower as at such dates and the results of its operations for the periods then ended. Notwithstanding the foregoing, the unaudited financial statements may not contain footnotes as required by GAAP.

(k) Litigation. There are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its properties before any court or arbitrator, or any governmental department, board, agency or other instrumentality.

(l) ERISA. Except as disclosed in writing to the Lender, the Borrower does not have any employee benefit plan or other plan maintained for employees of the Borrower or of any ERISA affiliate and subject to Title IV of ERISA or Section 412 of the Internal Revenue Code.

(m) Subsidiaries. The Borrower does not have any subsidiaries.

(n) Partnerships and Joint Ventures. The Borrower is not a partner (limited or general) in any partnerships and the Borrower is not a joint venturer in any joint ventures.

(o) Anti-Terrorism Laws. The Borrower is not in violation of any law, regulation or list of any government agency including, without limitation, the U.S. Office of Foreign Asset Control list, Executive Order 13224 or the USA Patriot Act, that prohibits or limits the conduct of business with or receiving of funds, goods or services to or for the benefit of certain persons and entities specified therein or that prohibits or limits the Lender from making any loan or extension of credit to the Borrower or from otherwise conducting business with the Borrower.

(p) Intellectual Property. Borrower owns or possesses, free and clear of all liens, sufficient legal rights to use all of its intellectual property necessary to, or currently used by the Borrower to conduct its business without any conflict with, dilution of, or infringement of, the rights of others. All such intellectual property is valid, subsisting, enforceable, and of full force and effect, and shall not be impaired or invalidated by the transactions contemplated herein. No other person has any rights to any of the Borrower's intellectual property, and no other person is infringing, violating, diluting, or misappropriating any of such intellectual property.

(q) No Material Adverse Change. Since formation of Borrower, when considered either individually or in the aggregate, there has been no material change to the Borrower or the way the Borrower conducts its business.

(r) Capital Structure. Since formation of Borrower there has been no change in the stock ownership of the Borrower. The Borrower has not granted any additional debt or equity securities to anyone other than the Lender.

(s) Completeness of Disclosures. No representation or warranty by the Borrower contained herein or in any other Transaction Agreement, or in any certificate or other document furnished heretofore or concurrently with the signing of this Note or any other Transaction Agreement by the Borrower to the Lender in connection with the transactions contemplated hereunder or under any other Transaction Agreement, contains any untrue statement of a material fact or omits to state a material fact which would prevent or materially inhibit the Borrower from performing its obligations under this Note or any other Transaction Agreement according to its terms.

(t) Survival of Representations. All of the representations and warranties set forth in the immediately preceding Paragraphs shall survive until all of the Borrower's obligations to the Lender shall have been satisfied in full.

12. Certain Affirmative and Negative Covenants. From the date hereof until the date that the Secured Promissory Note is indefeasibly paid in full, the Borrower agrees (unless waived or approved by Lender in writing, as the case may be) as follows with respect to the Borrower (which for purposes hereof shall include its subsidiaries):

(a) Financial Statements and Other Reports. The Borrower will furnish to the Lender:

(i) As soon as available and in any event within 90 days after the end of each fiscal year, the company-prepared financial statements of the Borrower prepared in accordance with GAAP and on a consistent basis with prior years. Such financial statements shall of at least statements of income, cash flow and stockholders' equity for such year, and a balance sheet as at the end of such year, all in reasonable detail and signed by an officer of the Borrower. Notwithstanding the foregoing, the unaudited financial statements may not contain certain footnotes as required by GAAP.

(ii) As soon as available and in any event within 20 days after the end of each fiscal month, a copy of the Borrower's unaudited internally prepared financial statements prepared in the same manner as the financial statements previously delivered to the Lender, consisting of at least statements of income, cash flow, stockholders' equity for such month, and a balance sheet as at the end of such month, all in reasonable detail and signed by an officer of the Borrower.

(iii) As soon as available and in any event within 120 days after the end of each fiscal year, a copy of the Borrower's tax returns, as filed with the Internal Revenue Service.

(iv) Immediately upon becoming aware of the occurrence thereof, notice of all litigation, arbitration or mediation proceedings, and of all proceedings by or before any court or governmental or regulatory agency affecting the Borrower which alone or together with other claims seeks \$100,000 or more in the aggregate, describing the nature thereof and the steps being taken with respect to such proceeding(s).

(v) Immediately upon becoming aware of the occurrence thereof, notice of any event or the likely happening of any event which would result in a material adverse change to the Borrower, describing the nature of such event.

(vi) Immediately upon becoming aware of the occurrence thereof, notice of any Event of Default or any event which with the passage of time or the giving of notice or both may become an Event of Default, describing the nature thereof and what action the Borrower proposes to take with respect thereto.

(vii) Immediately upon becoming aware of the occurrence thereof, notice of any violation by the Borrower, or of the commencement of any judicial or administrative proceeding relating to health, safety or environmental matters, (i) in which an adverse determination or result could result in the revocation of or have a material adverse effect on any licenses, approvals, certifications, operating permits, air emission permits, water discharge permits, hazardous waste permits

or other permits held by the Borrower which are material to the operations of the Borrower, or (ii) which will or threatens to impose a material liability on the Borrower to any person or which will require a material expenditure by the Borrower to cure any alleged problem or violation.

(v) The financial statements, reports, tax returns and other information requested by the Lender.

(b) Existence. The Borrower will maintain its corporate existence in good standing under the laws of Delaware and its foreign qualifications in each jurisdiction in which the character of the properties owned, leased or operated by it or the business conducted by it makes such qualification necessary. The Borrower will not amend, modify, supplement, restate or replace its Certificate of Incorporation, Bylaws or any other organizational document.

(c) Insurance. The Borrower will maintain with financially sound and reputable insurance companies such insurance in such amounts and against such risks as is reasonably requested by the Lender or as may be required by law or as may be customary in the case of reputable persons engaged in the same or similar business and similarly situated, including, without limitation, property, hazard, fire, wind, hail, theft, collapse, comprehensive general public liability, and business interruption insurance, and worker's compensation or similar insurance. The Borrower shall furnish to the Lender full information and written evidence as to the insurance maintained by the Borrower. All policies shall contain the insurer's promise not to cancel the policy without 30 days' prior written notice to the Lender at its address set forth below. All policies shall name the Lender as an additional insured or loss payee, as appropriate, as its interests may appear.

(d) Payment of Taxes and Claims. The Borrower will file all tax returns and reports which are required by law to be filed by it and pay before they become delinquent all taxes, assessments and governmental charges and levies imposed upon it or its property and all claims or demands of any kind (including, without limitation, those of suppliers, mechanics, carriers, warehouses, landlords and other like persons) which, if unpaid, might result in the creation of a Lien upon its property; provided that the foregoing items need not be paid if they are being contested in good faith by appropriate proceedings, and as long as the Borrower's title to its property is not materially adversely affected, its use of such property in the ordinary course of its business is not materially interfered with and adequate reserves with respect thereto have been set aside on the Borrower's books in accordance with GAAP as applied on a consistent basis with prior years.

(e) Inspection. The Borrower will permit any person designated by the Lender reasonably acceptable to the Borrower, and subject to such person executing a confidentiality agreement reasonably acceptable to the Borrower and the Company if so requested by the Borrower, to visit and inspect any of its properties, corporate books and financial records, to examine and to make copies of its books of accounts and other

financial records, and to discuss the affairs, finances and accounts of the Borrower with, and to be advised as to the same by, its officers at such reasonable times and intervals as the Lender may designate during normal business hours. The expenses of the Lender for such visits, inspections and examinations shall be at the reasonable expense of the Borrower.

(f) Maintenance of Properties. The Borrower will maintain its real and personal property in good condition, repair and working order, and supplied with all necessary equipment, and make all necessary repairs, renewals, replacements, betterments and improvements thereto, all as may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times.

(g) Books and Records. The Borrower will keep adequate and proper records and books of account in which complete and correct entries will be made of its dealings, business and affairs.

(h) Compliance. The Borrower will comply in all material respects with the requirements of all applicable state and federal laws, and of all rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject.

(i) Environmental Matters. The Borrower will observe and comply with all laws, rules, regulations and orders of any government or government agency relating to health, safety, pollution, hazardous materials or other environmental matters to the extent non-compliance could result in a material liability.

(j) Merger. The Borrower will not merge or consolidate or enter into any analogous reorganization or transaction with any person (other than ZINK Technologies, Inc. if such merger is otherwise permitted under the Purchase Agreement).

(k) Sale of Assets. The Borrower will not sell, transfer, assign, lease or otherwise convey all or substantially all of its assets (whether in one transaction or in a series of transactions) to any person other than in the ordinary course of business.

(l) Purchase of Assets. The Borrower will not purchase or lease or otherwise acquire any right, title or interest in or to, any real or personal property other than in the ordinary course of business or other than pursuant to any budget approved by the Company's Board of Directors and in compliance with the Borrower's Certificate of Incorporation, as amended.

(m) Change in Nature of Business. The Borrower will not make any material change in the nature of its business as carried on at the date hereof.

(n) Change in Charter. The Borrower will not make any change to its Certificate of Incorporation without the prior consent of the Lender.

(o) Other Agreements; Amendments or Modifications. Except as the Lender may consent in writing, the Borrower will not enter into any agreement, bond, note or other instrument with or for the benefit of any person other than the Lender which would: (a) prohibit the Borrower from granting, or otherwise limit the ability of the Borrower to grant, to the Lender any lien on any collateral; or (b) be violated or breached by the Borrower's performance of its obligations under the Transaction Agreements. The Borrower shall not amend or modify any lease or warehouse agreement to which the Borrower is a party or any agreement material to the Borrower in any way that adversely affects the collateral or the Borrower's ability to repay the outstanding principal of this Note and any interest accrued thereon.

(p) Subsidiaries, Partnerships, Joint Ventures. The Borrower will not (a) form or acquire any person or entity which would thereby become a subsidiary; or (b) form or enter into any partnership as a limited or general partner or into any joint venture.

(q) Liens. The Borrower will not create, incur, assume or suffer to exist any Lien with respect to any or all of the Borrower's properties or assets except liens in favor of PCI, Acorn Capital Group, LLC or liens in favor of any other lender for indebtedness for borrowed money for which PCI has consented thereto.

(r) Additional Indebtedness. Except with Lender consent, which consent shall not be unreasonably withheld, the Borrower will not create, incur, issue, assume or suffer to exist any Indebtedness (as defined below) in excess of \$500,000 for borrowed money, except Indebtedness (as defined below) to the Lender and Acorn Capital Group, LLC, and other than ordinary course draws under a line of credit otherwise approved by the Lender. "**Indebtedness**" shall mean, without duplication, all obligations, contingent or otherwise, which in accordance with GAAP should be classified upon the Borrower's balance sheet as liabilities, but in any event including the following (whether or not they should be classified as liabilities upon such balance sheet): (a) obligations secured by any mortgage, pledge, security interest, lien, charge or other encumbrance existing on property owned or acquired subject thereto, whether or not the obligation secured thereby shall have been assumed and whether or not the obligation secured is the obligation of the owner or another party; (b) any obligation on account of deposits or advances; (c) any obligation for the deferred purchase price of any property or services, other than trade accounts payable, (d) any obligation as lessee under any capitalized lease; (e) all guaranties, endorsements and other contingent obligations respecting Indebtedness of others; and (f) undertakings or agreements to reimburse or indemnify issuers of letters of credit. For all purposes of this Note, the Indebtedness of Borrower shall include the Indebtedness of (i) any partnership in which Borrower is a general partner, and (ii) any joint venture in which Borrower a joint venturer.

(s) Transactions with Affiliates. The Borrower will not enter into or be a party to any transaction or arrangement, including, without limitation, the purchase, sale, lease or exchange of property or the rendering of any service, with any Affiliate (as defined below) other than Lender or its Affiliates, except in the ordinary course of and pursuant to the reasonable requirements of the Borrower's business and upon fair and

reasonable terms no less favorable to the Borrower than would be obtained in a comparable arm's-length transaction with a person who is not an Affiliate (as defined below). As used herein, "**Affiliate**" means any person (i) which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, the described person or any of its subsidiaries, or (ii) five percent (5%) or more of the equity interest of which is held beneficially or of record by the described person or any of its subsidiaries. "Control" for purposes of the definition of Affiliate means the possession, directly or indirectly, of the power to cause the direction of management and policies of a person, whether through the ownership of voting securities or otherwise.

(t) Restricted Payments. The Borrower shall neither (a) purchase or redeem or otherwise acquire for value any of its capital stock or other equity interests, declare or pay any dividends or distributions with respect to any of its capital stock or other equity interests, make any distribution on, or payment on account of the purchase, redemption, defeasance or other acquisition or retirement for value of, any of its capital stock or other equity interests or set aside any funds for any such purpose; or (b) directly or indirectly make any payment on, or redeem, repurchase, decrease, or make any sinking fund payment on account of, or any other provision for, or otherwise pay, acquire or retire for value, any of its Indebtedness that is subordinated in right of payment to the Indebtedness to the Lender (whether pursuant to its terms or by operation of law).

(u) Investments. The Borrower shall not acquire for value, make, have or hold any Investments (as defined below), except: direct obligations of the United States of America; extensions of credit in the nature of accounts receivable or notes receivable arising from the sale of goods and services in the ordinary course of business; and commercial paper issued by U.S. corporations rated "A-1" by Standard & Poor Corporation or "P-1" by Moody's Investors Service or certificates of deposit or bankers' acceptances having a maturity of one year or less issued by members of the Federal Reserve System having deposits in excess of \$100,000,000 (which certificates of deposit or bankers' acceptances are fully insured by the Federal Deposit Insurance Corporation). As used herein, "**Investments**" shall mean the acquisition, purchase, making or holding of any stock or other security, any loan, advance, contribution to capital, extension of credit (except for trade and customer accounts receivable for inventory sold or services rendered in the ordinary course of business and payable in accordance with customary trade terms), any acquisitions of real or personal property (other than real and personal property acquired in the ordinary course of business) and any purchase or commitment or option to purchase stock or other debt or equity securities of or any interest in another person or entity or any integral part of any business or the assets comprising such business or part thereof.

(v) Capital Expenditures. Pay or incur, or commit to pay or incur, any capital expenditures during any fiscal year which exceed \$250,000 in the aggregate, other than pursuant to any budget approved by the Company's Board of Directors and in compliance with the Borrower's Certificate of Incorporation, as amended.

13. **Events of Default.** The occurrence of any one or more of the following events shall constitute an “Event of Default”:

(a) The Borrower shall fail to make when due, whether by acceleration or otherwise, any payment of principal of, or interest on, this Note or any fee or other amount required to be made to the Lender pursuant to the Transaction Agreements; or

(b) Any representation or warranty made or deemed to have been made by or on behalf of the Borrower in the Transaction Agreements, or on behalf of the Borrower in any certificate, statement, report or other writing furnished by or on behalf of the Borrower to the Lender pursuant to the Transaction Agreements or any other instrument, document or agreement shall prove to have been false or misleading in any material respect on the date as of which the facts set forth are stated or certified or deemed to have been stated or certified; or

(c) The Borrower shall fail to comply with any agreement, covenant, condition, provision or term contained in any Transaction Agreement; or

(d) An Act of Bankruptcy shall occur with respect to the Borrower (as used herein, “Act of Bankruptcy” shall mean if (i) the person shall (1) be or become insolvent, or (2) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or the like of the person or of all or a substantial part of the person’s property, or (3) commence a voluntary case under any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding under the laws of any jurisdiction, or (4) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, or (5) admit in writing its inability to pay its debts as they mature, or (6) make an assignment for the benefit of its creditors; or (ii) a proceeding or case shall be commenced, without the application or consent of the person, and which is not dismissed within 30 days after such commencement, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, dissolution, winding up or the composition or adjustment of debts of the person, (ii) the appointment of a trustee, receiver, custodian or liquidator or the like of the person or of all or any substantial part of the person’s property, or (iii) similar relief in respect of the person under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts); or

(e) A final judgment or judgments for the payment of money in excess of the sum of \$25,000 in the aggregate shall be rendered against the Borrower and the Borrower shall not pay or discharge the same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof, prior to any execution on such judgments by such judgment creditor, within 30 days from the date of entry thereof, and within said period of 30 days, or such longer period during which execution of such judgment shall be stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal; or

(f) Any property of the Borrower (including, without limitation, the Collateral (as defined in the Security Agreement), shall be garnished or attached in any proceeding and such garnishment or attachment shall remain undischarged for a period of 30 days during which execution is not effectively stayed; or

(g) The maturity of any Indebtedness (other than Indebtedness under this Note and whether owed to the Lender or to others) of the Borrower shall be accelerated, or the Borrower shall fail to pay any such indebtedness when due or, in the case of such indebtedness payable on demand, when demanded, or any event shall occur or condition shall exist and shall continue for more than the period of grace, if any, applicable thereto and shall have the effect of causing or permitting (any required notice having been given and grace period having expired) the holder of any such indebtedness or any trustee or other person acting on behalf of such holder to cause, such indebtedness to become due prior to its stated maturity or to realize upon any collateral given as security therefor; or

(h) The Borrower shall fail to pay, withhold, collect or remit any tax or tax deficiency when assessed or due or notice of any state or federal tax lien shall be filed or issued; or

(i) Any material default or event of default shall occur under any other Transaction Agreement, or under any other agreement between Borrower and Lender or Lender's affiliates or under the Borrower's governing documents, which shall remain uncured during the cure period, if any, applicable thereto; or

(j) Any event that could have a material adverse effect on the business, operations, property, assets or condition (financial or otherwise) of the Borrower or the ability of the Borrower to perform its or his obligations under the Transaction Agreements to which it or he is a party.

14. **Remedies.** If (a) any Event of Default described in paragraph (d) in the Events of Default section above shall occur, the outstanding unpaid principal balance of the Note, the accrued interest thereon and all other obligations of the Borrower to the Lender under the Transaction Agreements shall automatically become immediately due and payable; or (b) any other Event of Default shall occur and be continuing, then the Lender may declare that the outstanding unpaid principal balance of the Note, the accrued and unpaid interest thereon and all other obligations of the Borrower to the Lender under the Transaction Agreements to be forthwith due and payable, whereupon the Note, all accrued and unpaid interest thereon and all such obligations shall immediately become due and payable, in each case without further demand or notice of any kind, all of which are hereby expressly waived, anything in this Note to the contrary notwithstanding. In addition, upon any Event of Default and so long as such Event of Default continues, the Lender may exercise all rights and remedies under any other instrument, document or agreement between the Borrower and the Lender, and enforce all rights and remedies under any applicable law.

15. **Offset.** In addition to the remedies set forth above, upon the occurrence of any Event of Default or at any time thereafter while such Event of Default continues, the Lender or

any other holder of the Note may offset any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or monies of the Borrower then or thereafter with the Lender or such other holder, or any obligations of the Lender or such other holder of the Note, against the indebtedness then owed by the Borrower to the Lender.

16. **No Waiver.** No failure on the part of the Lender to exercise and no delay in exercising any power or right hereunder or under any other Transaction Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof or the exercise of any other power or right. The remedies herein and in any other instrument, document or agreement delivered or to be delivered to the Lender hereunder or in connection herewith are cumulative and not exclusive of any remedies provided by law. No notice to or demand on the Borrower not required hereunder or under any other Transaction Agreement shall in any event entitle the Borrower to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Lender or the holder of the Note to any other or further action in any circumstances without notice or demand. No amendment, modification or waiver of any provision of this Note or any other Transaction Agreement or consent to any departure by the Borrower therefrom shall be effective unless the same shall be in writing and signed by the Lender, and then such amendment, modifications, waiver or consent shall be effective only in the specific instances and for the specific purpose for which given.

17. **Expenses, Costs of Collection and Indemnities.** The Borrower agrees to reimburse the Lender upon demand for all expenses paid or incurred by the Lender (including any appraisal expenses, filing and recording costs and fees and expenses of legal counsel) in connection with the preparation, review, execution, delivery, amendment, modification, interpretation, collection and enforcement of this Note and the other Transaction Agreements. The Borrower agrees to pay, and save the Lender harmless from all liability for, any stamp or other taxes which may be payable with respect to the execution or delivery of the Transaction Agreements. The Borrower agrees to indemnify and hold the Lender harmless from any loss or expense which may arise or be created by the acceptance of instructions for disbursing the proceeds hereof. The obligations of the Borrower under this paragraph shall survive payment in full of this Note.

18. **Notices.** Any notice or other communication to the Borrower in connection with this Note shall be in writing and shall be sent by manual delivery, telegram, telex, facsimile transmission, overnight courier or United States mail (postage prepaid) addressed to the Borrower at its principal executive offices or at such other address as such party shall have specified to the Lender in writing. All periods of notice shall be measured from the date of delivery thereof if manually delivered, from the date of sending thereof if sent by telegram, telex or facsimile transmission, from a first business day after the date of sending if sent by overnight courier, or from four days after the date of mailing. If notice to the Borrower of any intended disposition of any Collateral or any other intended action is required by law in a particular instance, such notice shall be deemed commercially reasonable if given at least ten calendar days prior to the date of intended disposition or other action.

19. **Successors.** This Note is binding on the Borrower and its successors and assigns, and shall inure to the benefit of the Lender and its successors and assigns. The Borrower shall not assign its rights or duties hereunder without the written consent of the Lender.

20. **Headings; Severability.** The headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provision of this Note. Any provision of this Note which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

21. **Entire Agreement.** This Note, and the other Transaction Agreements, embody the entire agreement and understanding between the Borrower and the Lender with respect to the subject matter hereof and thereof. This Note supersedes all prior agreements and understandings relating to the subject matter hereof.

22. **General.** This Note is being delivered in, and shall be governed by, the laws of the State of Minnesota. **BORROWER SUBMITS AND CONSENTS TO PERSONAL JURISDICTION OF THE COURTS OF THE STATE OF MINNESOTA FOR THE ENFORCEMENT OF THIS NOTE AND THE OTHER TRANSACTION AGREEMENTS AND WAIVES ANY AND ALL PERSONAL RIGHTS UNDER THE LAWS OF ANY STATE OR THE UNITED STATES OF AMERICA TO OBJECT TO JURISDICTION IN THE STATE OF MINNESOTA. AT THE ELECTION OF LENDER, LITIGATION MAY BE COMMENCED IN ANY STATE COURT OF GENERAL JURISDICTION FOR THE STATE OF MINNESOTA OR ANY UNITED STATES DISTRICT COURT LOCATED IN MINNESOTA. NOTHING CONTAINED HEREIN SHALL PREVENT LENDER FROM BRINGING ANY ACTION AGAINST BORROWER OR EXERCISING ANY RIGHTS AGAINST ANY SECURITY GIVEN TO LENDER, OR AGAINST BORROWER PERSONALLY, OR AGAINST ANY PROPERTY OF BORROWER, WITHIN ANY OTHER STATE. COMMENCEMENT OF ANY SUCH ACTION OR PROCEEDING IN ANY OTHER STATE SHALL NOT CONSTITUTE A WAIVER OF CONSENT TO JURISDICTION OR OF THE SUBMISSION MADE BY BORROWER TO PERSONAL JURISDICTION WITHIN THE STATE OF MINNESOTA. BORROWER WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDING TO WHICH DEBTOR IS INVOLVED DIRECTLY OR INDIRECTLY AND ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS NOTE OR THE RELATIONSHIP ESTABLISHED HEREUNDER, AND WHETHER ARISING OR ASSERTED BEFORE OR AFTER THE DATE OF THIS NOTE.** Presentment or other demand for payment, notice of dishonor and protest are expressly waived.

[Signature on next page]

ZINK IMAGING, INC.

By: Wendy F. Caswell
Wendy F. Caswell
Its: President

4188256

[Signature Page to Secured Convertible Promissory Note]

This Note is subject to the Subordination and Intercreditor Agreement, dated as of August 10, 2007 among the Borrower, the Lender and Acorn Capital Group, LLC, under which this Note and the Lender's obligations hereunder are subordinated in the manner set forth therein to the prior payment of certain obligations to the holders of Senior Indebtedness as defined therein.