

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

1. Name of conveying party(ies):  
 The Collaborative Group, Ltd.  
 50 East Loop Road  
 Stony Brook, New York

*MAD  
9-14-99*

Individual(s)       Association  
 General Partnership       Limited Partnership  
 Other

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

2. Name and address of receiving party(ies)  
 Name: Citizens Bank of Rhode Island and  
 Rhode Island Economic Development Corporation

Street Address: c/o Citizens Bank of Rhode Island  
 One Citizens Plaza

City: Providence State: Rhode Island Zip: 02903

Individual(s) citizenship  
 Association  
 General Partnership  
 Limited Partnership  
 Corporation-State  
 Other National Bank


If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
 (Designations must be a separate document from assignment)  
 Additional name(s) & address(es) attached?  Yes  No

3. Nature of conveyance:

Assignment       Merger  
 Security Agreement       Change of Name  
 Other

Execution Date:

11-12-1999



101161609

4. Application number(s), registration number(s)  
 or patent number(s): See Attached Exhibit A

Additional numbers attached?  Yes  No

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

Name: Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

Internal Address: Attn: Kelly A. McEnaney, Esq.

Street Address: One Financial Center

City: Boston State: MA Zip: 02111

6. Total number of applications and registrations registrations

7. Total fee (37 CFR 3.41) \$ 720.00

8. Deposit account number:

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

DO NOT USE THIS SPACE

9. Statement and signature.

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

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

Earl F. Queenan, Jr. *[Signature]* July 20, 1999

Name of Person Signing DDFA      Signature      Date

Total number of pages including cover sheet, attachments, and document  1

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

11/12/1999 TTON11 00000136 5622939 720.00 0P  
 01 FC:581

**Exhibit A**  
**Patents**

**Soluble  $\beta$ -Glucans - Compositions**

Case Number	Patent or S.N.	Issue Date	Expiry Date	Summary of Claims
ABY92-01	5,622,939	04/22/97		Glucan Preparation
ABY92-01A	5,783,569	07/21/98		Uses for Underivatized, Aqueous Soluble Beta(1,3) Glucan and Compositions Comprising Same
ABY92-01	04280442	Pending		Novel Glucan Preparation JAPAN
ABY92-01A	679690	10/30/97	08/20/13	Novel Glucan Preparation AU
ABY92-01A	2142811	Pending		Novel Glucan Preparation CANADA
ABY92-01A	93920258.6	Pending		Novel Glucan Preparation EPC
ABY92-01A	950770	Pending		Novel Glucan Preparation FINLAND
ABY92-01A	P9500504	Pending		Novel Glucan Preparation HUNGARY
ABY92-01A	06506576	Pending		Novel Glucan Preparation JAPAN
ABY92-01A	70066795	Pending		Novel Glucan Preparation SOUTH KOREA (KORS?)
ABY92-01A	935094	Pending		Novel Glucan Preparation MEXICO
ABY92-01A	255857	02/18/97	08/20/13	Novel Glucan Preparation NEW ZEALAND
ABY92-01A	950634	Pending		Novel Glucan Preparation NORWAY
ABY92-01A	PCT/US93/ 07904			Novel Glucan Preparation PCT
ABY92-01A	P307567	Pending		Novel Glucan Preparation POLAND
ABY92-01A	9500333	Pending		Novel Glucan Preparation ROMANIA
ABY92-01ADIV1	4095397	Pending		Novel Glucan Preparation AU
ABY97-02	08/902,586	Pending		Conformation Of PGG-Glucan

## SECURITY AGREEMENT

THIS SECURITY AGREEMENT, dated this 30<sup>th</sup> day of July, 1999, is made between Rhode Island Economic Development Corporation, a public corporation, governmental agency and public instrumentality of the State of Rhode Island with a principal place of business at One West Exchange Street, Providence, Rhode Island 02903 (the "Secured Party"), and The Collaborative Group, Ltd., a Delaware corporation having a usual place of business at Fifty East Loop Road, Stony Brook, New York, 11790 (the "Purchaser").

**WHEREAS**, pursuant to the terms of that certain Bill of Sale of even date (the "Bill of Sale") by and between the Debtor and Joseph F. Finn, Jr., Assignee for the Benefit of Creditors of Alpha-Beta Technology, Inc. and having an usual place of business in Wellesley Hills, Massachusetts (the "Assignee"), and Allan M. Shine, Esq., Receiver of Alpha-Beta Technology and having an usual place of business in Providence, Rhode Island (the "Receiver"), the Purchaser has purchased certain intellectual property as more particularly described in the Bill of Sale (the "Purchased MA Property"). Any capitalized terms not otherwise defined in this Agreement shall have the meaning ascribed to them in the Bill of Sale.

**WHEREAS**, under the terms of the Bill of Sale, if the RI Property is not sold, conveyed or assigned or leased to the Purchaser on or before July 31, 1999, as provided in the Order and the P&S, the Purchaser agrees immediately to convey all of the RI Property to the Secured Party, and the Purchaser agrees to take all necessary steps, including the execution of any and all documents of assignment, conveyance or transfer, to convey the MA Property to the Secured Party or its designee.

**WHEREAS**, in order to facilitate the purchase price of the Purchased MA Property, the Purchaser has requested a loan from the Secured Party in the amount of One Hundred Eighty Thousand Dollars (\$180,000.00), which is evidenced by that certain promissory note, dated as of the date hereof (the "Note") and which will be canceled by the Secured Party upon issuance by the Secured Party of its \$25,000,000 Economic Development Revenue Bonds (Collaborative Smithfield Corp. Project 1999 Series and the execution of the Lease Agreement defined herein).

**WHEREAS**, it is a condition precedent to the Secured Party's extension of credit to the Purchaser, that the Purchaser shall have entered into this Agreement.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiently of which are hereby acknowledged, it is agreed as follows:

Section 1. Definitions. The following terms shall have the following meanings (such definitions shall be equally applicable to the singular and plural forms of the terms defined):

"Collateral" shall mean all of the MA Property listed on Exhibit A hereof and all Proceeds of any and all of the foregoing.

"Governmental Authority" shall mean any federal, state, local, foreign or other governmental or administrative (including self-regulatory) body, instrumentality, department or

agency or any court, tribunal, administrative hearing body, arbitration panel, commission, or other similar dispute-resolving panel or body including, without limitation, those governing the regulation and protection of the environment.

“Person” shall mean and include any individual, Purchaser, joint venture, firm, corporation, association, trust or other enterprise or any Governmental Authority.

“Proceeds” shall have the meaning assigned to that term under the Uniform Commercial Code or under other relevant law and, in any event, shall include, without limitation, any and all (i) proceeds of any insurance (except payments made to a Person which is not a party to this Agreement), indemnity, warranty or guaranty payable to the Secured Party or to the Purchaser from time to time with respect to any of the Collateral, (ii) payments (in any form whatsoever) made or due and payable to the Purchaser from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any Governmental Authority (or any person acting on behalf of a Governmental Authority), (iii) instruments representing obligations to pay amounts in respect of Equipment, General Intangibles, Inventory, Receivables, (iv) products of the Collateral, and (v) other amounts from time to time paid or payable under or in connection with any of the Collateral.

“Payment Obligations” shall have the meaning set forth in Section 2 hereof.

“UCC” shall mean the Uniform Commercial Code as in effect from time to time under the laws of the applicable jurisdiction.

Section 2. Grant of Security Interest. As collateral security for the payment, performance and observance of all obligations of the Purchaser to Secured Party pursuant to the Bill of Sale, the Note and the Lease Agreement dated as of July 30, 1999 by and between the Purchaser and the Secured Party (the “Lease”)(collectively, the “Payment Obligations”), the Purchaser hereby grants to Secured Party a security interest the Collateral.

Section 3. Representations, Warranties and Covenants. the Purchaser represents, warrants, covenants and agrees that:

- A. The chief executive office of the Purchaser and the office where the Purchaser keeps all of its books and records relating to the Collateral are at the address listed in the preamble hereof and have been located at such addresses at all times during the four-month period prior to the date hereof;
- B. The Purchaser will immediately notify Secured Party of any change of the Purchaser’s chief executive office or the locations of its books and records relating to the Collateral and consents to the filing of form UCC-1s with respect to the Collateral without the signature of the Purchaser in such locations as Secured Party shall consider necessary and appropriate as a result of such changes;

- C. The Collateral is free and clear of all liens and encumbrances except for the liens created by this Agreement, and the Purchaser will not create or suffer to exist any lien or encumbrance on any of the Collateral, except for liens the existing liens in favor of the Secured Party;
- D. The Purchaser will not assign, transfer, sell, lease or otherwise dispose of any Collateral, except in the ordinary course of business in exchange for property or assets having an equal or greater value which become part of the Collateral, or as otherwise permitted in writing by Secured Party;
- E. The Purchaser will, at its sole cost and expense, perform all acts and execute all documents reasonably requested by Secured Party from time to time to evidence, perfect, maintain or enforce the security interest of Secured Party granted herein, and to effectuate or maintain the priority thereof or otherwise to carry out the provisions and purposes of this Agreement;
- F. The Purchaser has not during the five-year period prior to the date hereof been known by or used any tradename, fictitious name or any corporate name other than the Purchaser's name as set forth next to its signature below;
- G. If any proceeds of Collateral are received by the Purchaser (including, without limitation, in the form of cash proceeds), the Purchaser shall not commingle such proceeds with any of its other property, shall hold such proceeds in trust for Secured Party and shall immediately deliver the same to Secured Party in the form received, duly endorsed where appropriate.

Section 4. Remedies Upon Default. If the Purchaser shall (i) fail to complete the financing of the purchase of the RI Property on or before July 30, 1999, as provided in the Order and the P&S; (ii) fail to pay or discharge, when due, any of its duties or obligations pursuant to the Bill of Sale, Note and the Lease, (iii) fail to comply with any provision of the Bill of Sale, the Note or this Agreement, (iv) dissolve, liquidate, suspend its business, or sell substantially all of its assets, (v) make an assignment for the benefit of creditors, (vi) commence or have commenced against it a bankruptcy or insolvency proceeding, or (vii) a receiver is appointed for the Purchaser (each of the preceding is referred to in this Agreement as an "Event of Default"), Secured Party may, at any time and from time to time, without notice to or demand upon the Purchaser, declare any Payment Obligations immediately due and payable and Secured Party shall have the following rights and remedies (to the extent permitted by applicable law), in addition to all rights and remedies of a secured party under the applicable Uniform Commercial Code, at law or in equity, all such rights and remedies being cumulative, not exclusive, and shall be enforceable alternatively, successively or concurrently:

- 1. assign, convey or transfer the MA Property to the Secured Party or its designee without demand, notice or advertisement whatsoever and,

pursuant to the powers granted pursuant to Section 5 hereof, execute any and all documents necessary to effect such transfer of the MA Property.

2. Sell, resell, assign, grant options for or otherwise dispose of any Collateral for cash and/or credit, and upon any terms, at such place(s) and time(s) and to such person(s) as Secured Party deems best, all without demand, notice or advertisement whatsoever except that where an applicable statute requires reasonable notice of sale or other disposition, the Purchaser hereby agrees that the sending of ten (10) days' notice by ordinary mail, to the Purchaser's address set forth in the preamble hereof shall be deemed reasonable notice thereof.
3. Secured Party may apply the cash proceeds actually received from any sale or other disposition of Collateral to the reasonable expenses incurred by Secured Party in attempting to collect the Payment Obligations or to enforce this Agreement or in the prosecution or defense of any action or proceeding related to the subject matter of this Agreement; and then to the Payment Obligations in such order and as to principal or interest as Secured Party may determine in its sole discretion.

Section 5. Power of Attorney. To effectuate the terms and provisions hereof, upon the occurrence of an Event of Default, the Purchaser hereby designates and appoints Secured Party and each of its designees or agents as attorney-in-fact of the Purchaser, irrevocably and with power of substitution, with authority to: (i) endorse the name of the Purchaser on any and all documents of assignment, conveyance or transfer necessary to convey the MA Property to the Secured Party or its designee; (ii) endorse the name of the Purchaser on any notes, acceptances, checks, drafts, money orders, instruments or other evidences of Collateral, to the extent that such items constitute proceeds of Collateral, which may come into the possession of Secured Party; and (iii) do all other acts and things necessary or advisable in the sole discretion of Secured Party to carry out and enforce this Agreement or the Payment Obligations. This power of attorney, being coupled with an interest, is irrevocable while any Payment Obligations shall remain unpaid.

Section 6. Waivers. No act, omission or delay by Secured Party or course of dealing between Secured Party shall constitute a waiver of the rights and remedies of Secured Party hereunder. No single or partial waiver by Secured Party of any Event of Default or right or remedy which it may have shall operate as a waiver of any other Event of Default, right or remedy or of the same Event of Default, right or remedy on a future occasion. The Purchaser hereby waives presentment, notice of dishonor and protest of all instruments included in or evidencing any Payment Obligations or Collateral, and all other notices and demands whatsoever (except as expressly provided herein).

Section 7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Rhode Island (without giving effect to its conflict of laws principles thereof).

Section 8. Notices. Unless otherwise provided herein, all notices, requests and other communications to any party hereunder shall be in writing and shall be personally delivered or sent by certified mail, postage prepaid, return receipt requested, or by a reputable courier delivery service or by telecopy and shall be given to either party at the address specified in the preamble hereof or such other address or telecopy number as such party may hereafter specify by notice to Secured Party and the Purchaser. Each such notice, request or other communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified in this Section and the appropriate confirmation is received, (ii) if given by certified mail, 72 hours after such communication is deposited with the post office, addressed as aforesaid, or (iii) if given by any other means (including, without limitation, by air courier), when delivered at the address specified in accordance with this Section.

Section 9. Amendments and Waivers; Acknowledgment of Receipt. No provision hereof shall be modified, altered or limited except by a written instrument expressly referring to this Agreement and to such provision, and executed by the Purchaser and Secured Party. The Purchaser acknowledges receipt of a copy of this Agreement.

Section 10. Severability. In the event that any court of competent jurisdiction shall determine that any provision, or any portion thereof, contained in this Agreement shall be unreasonable or unenforceable in any respect, then such provision shall be deemed limited to the extent that such court deems it reasonable and enforceable, and as so limited shall remain in full force and effect. In the event that such court shall deem any such provision, or portion thereof, wholly unenforceable, the remaining provisions of this Agreement shall nevertheless remain in full force and effect.

Section 11. Benefit of Agreement; Continuing Security Interest. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the Purchaser and shall, together with the rights and remedies of Secured Party hereunder, inure to the benefit of Secured Party, its successors, endorsees and assigns. This Agreement shall create a continuing security interest in the Collateral which shall remain in full force and effect until payment in full of the Payment Obligations.

Section 12. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original and all of which shall together constitute one and the same agreement.

Section 13. Captions. The captions of the sections of this Agreement have been inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed or caused this Agreement to be executed as a sealed instrument in Rhode Island as of the date first above set forth.

THE COLLABORATIVE GROUP, LTD.

By: Joseph D. Cerrul  
Name:  
Title:

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