

10-05-2001



Form PTO-1595 (Rev. 03/01)

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

Tab settings

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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):

ARKION LIFE SCIENCES LLC

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

September 26, 2001

Execution Date:

2. Name and address of receiving party(ies)

Name: MINNESOTA CORN PROCESSORS, LLC

Internal Address:

Street Address:

901 North Highway 59

City: Marshall State: MN Zip 56258

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)

U.S. App. #09/318,271

B. Patent No.(s)

U.S. Pat. #5,521,090

Additional numbers attached? Yes No

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

Name: Adam Soffer, Esq.

Internal Address:

Parsinen Kaplan Rosberg & Gotlieb, P.A.

Street Address:

100 South 5th Street, Suite 1100

City: Minneapolis State: MN Zip: 55402

6. Total number of applications and patents involved: 22

7. Total fee (37 CFR 3.41).....\$ 880.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

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

DO NOT USE THIS SPACE

9. Statement and signature.

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

Diane L. Ketcher

Name of Person Signing

Diane Ketcher Signature

September 27, 2001

Date

Total number of pages including cover sheet, attachments, and documents: 9

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

10/04/2001 LMUELLER 00000132 09318271

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880.00 DP

PATENT REEL: 012211 FRAME: 0047

Attachment to Recordation Form Cover Sheet

Conveying Party: Arkion Life Sciences LLC
Receiving Party: Minnesota Corn Processors, LLC
Dated: September 27, 2001

Continuation of Item 4. Application number(s) or patent number(s):

A. Patent Application No.s:

U.S. App. Serial No. 07/650,886
U.S. App. Serial No. 09/656,712
U.S. App. Serial No. 09/115,475
U.S. App. Serial No. 09/341,600
U.S. App. Serial No. 09/221,014
U.S. App. Serial No. 09/561,077
U.S. App. Serial No. 09/608,045
U.S. App. Serial No. 08/915,627
U.S. App. Serial No. 09/522,232
U.S. App. Serial No. 09/414,403
U.S. App. Serial No. 60/283258

B. Patent No.(s):

U.S. Pat. No. 5,001,059
U.S. Pat. No. 5,900,370
U.S. Pat. No. 5,792,631
U.S. Pat. No. 5,902,579
U.S. Pat. No. 5,985,845
U.S. Pat. No. 5,229,372
U.S. Pat. No. 4,600,706
U.S. Pat. No. 5,648,231
U.S. Pat. No. 6,136,985

SECURITY AGREEMENT

This Security Agreement is made and shall become effective this 26th day of September 2001, by and between **Minnesota Corn Processors, LLC** (hereinafter "Secured Party"), a Colorado limited liability company, and **Arkion Life Sciences LLC** (hereinafter "Borrower"), a Delaware limited liability company.

BACKGROUND

A. Borrower wishes to borrow a sum of money from Secured Party for the purpose of continuing its operations.

B. Secured Party is motivated to loan Borrower the sum of money if Borrower agrees to secure the loan with certain collateral and to other terms and conditions provided herein.

C. Borrower has agreed to grant a security interest in and to the Collateral (as defined in this Security Agreement), on the terms and conditions set forth in this Security Agreement, to secure payment under a promissory note dated September 26, 2001, by and between Secured Party as lender and Borrower as borrower (hereinafter the "Promissory Note").

D. Unless otherwise defined herein or unless the context requires otherwise, capitalized words or phrases contained in this Agreement shall have the meanings ascribed to them in Article 9 of the Uniform Commercial Code as enacted in the State of Minnesota and in effect on the date hereof (hereinafter the "Uniform Commercial Code").

NOW THEREFORE, in consideration of the above premises and the mutual promises and covenants contained herein, the parties hereto, intending to be legally bound, agree as follows:

1. Creation of Security Interest. Borrower hereby grants to Secured Party a lien and security interest in and to the property described on Schedule 1.1 attached hereto (hereinafter the "Collateral") and any and all proceeds from the sale, assignment, or other transfer of the Collateral.

2. Secured Obligations. The security interest created herein is given as security for the prompt payment, performance, satisfaction, and discharge of the obligation (hereinafter the "Obligation") of Borrower to pay to Secured Party the principal and interest under the Promissory Note in accordance with the terms thereof.

3. Representations and Warranties. Borrower, as of the date hereof, represents and warrants as follows:

3.01 Good Title to Collateral. Borrower has good and marketable title to the Collateral free and clear of all liens and encumbrances other than the security interests granted to Secured Party.

3.02 Organization. Borrower is a limited liability company organized under the laws of the State of Delaware. Borrower's exact legal name is as set forth in the first paragraph of this Security Agreement. If the form of organization of Borrower does not require registration with any governmental authority to come into existence, the places of business of Borrower are as set forth on Exhibit A, and if Borrower has more than one place of business, the chief executive offices of Borrower are at the address indicated on Exhibit A.

3.03 Filings of Record. No financing statement covering any of the Collateral is on file in any public office, other than a financing statement filed pursuant to this Security Agreement.

4. Disposition and Use of Collateral. Unless and until there has been a Default hereunder, Borrower shall be permitted to use the Collateral in the ordinary course of its business. Borrower shall not sell, assign, or otherwise transfer; license; or encumber in any way whatsoever any part of the Collateral without the prior, written consent of Secured Party.

5. Covenants and Agreements of Borrower.

5.01 Maintenance and Inspection of Books and Records. Borrower shall maintain complete and accurate books and records and shall make all necessary entries therein to reflect the costs, values, and locations of the Collateral. Borrower shall allow Secured Party and its authorized agents to have full, complete, and unrestricted access thereto at any reasonable time, and to inspect, audit, and make copies of all books, records, intellectual property files, data storage and processing media, software, printouts, journals, orders, receipts, invoices, correspondence, and other documents and written or printed matter related to any part of the Collateral. Secured Party's rights hereunder shall be enforceable at law or in equity, and Borrower consents to an entry of judicial orders or injunctions enforcing specific performance of the obligations described in this subparagraph.

5.02 Physical Inspection of Collateral. Borrower shall permit Secured Party and its authorized agents to inspect any and all tangible Collateral at all reasonable times.

5.03 Notice of Secured Party's Interest. If requested by Secured Party, Borrower shall give notice of Secured Party's security interests in the Collateral to any third person with whom Borrower has any actual or prospective contractual relationship or other business dealings.

5.04 Insurance of Collateral. Borrower shall keep ordinary and reasonable business insurance.

5.05 Existence. Borrower shall preserve its existence and not merge into or consolidate with any other entity, except for a merger or consolidation in which the surviving entity specifically assumes all of the obligations of the Borrower pursuant to this Security Agreement, or sell all or substantially all of its assets. The Borrower shall not change the state of its organization, its name, place of business, or chief executive office without obtaining the prior written consent of the Secured Party. Borrower shall not issue any membership interests without the prior written consent of Secured Party. This paragraph is effective only for forty-five (45) days from the date of this Agreement.

5.06 Perfection of Secured Party's Interests.

(1) Borrower agrees to cooperate with and join Secured Party in taking such steps as are necessary, in Secured Party's sole discretion, to perfect or continue perfected status of the security interests granted hereunder, including without limitation the execution and delivery of any financing statements, continuation statements, and amendments thereto; the delivery of Chattel Paper, Documents, or Instruments to Secured Party; the notation of encumbrances in favor of Secured Party on certificates of title; and the execution and filing of any collateral assignments or security interest notices.

(2) Secured Party may at any time and from time to time, at its own expense, file financing statements, continuation statements, and amendments thereto that describe the Collateral and which contain any other information required by the Uniform Commercial Code for sufficiently completing and/or obtaining proper filing office acceptance of any financing statement, continuation statement, or amendment, including whether Borrower is an organization, the type of organization, and any organization identification number issued to Borrower. Borrower agrees to furnish any such information to Secured Party promptly upon request. Any such financing statements, continuation statements, or amendments may be signed by Secured Party on behalf of Borrower, and may be filed at any time in any jurisdiction.

(3) Borrower shall, at any time and from any time to time, take such steps as Secured Party may require for Secured Party (i) to obtain an acknowledgement, in form and substance satisfactory to Secured Party, of any third party having possession of any of the Collateral that the third party holds such Collateral for the benefit of Secured Party, and (ii) otherwise to insure the continued perfection and priority of Secured Party's security interest in any of the Collateral and the preservation of its rights therein.

5.07 Maintenance of Collateral. Borrower shall care for and preserve the Collateral in good condition and repair consistent with past practice, and will pay the cost of all replacement parts, repairs to, and maintenance of the Collateral. Borrower will keep complete and accurate records with respect to the Collateral.

6. Power of Attorney. Upon the occurrence of a Default hereunder, and upon not less than twenty (20) days notice to Borrower, Borrower will be deemed to have appointed Secured Party as its lawful attorney-in-fact to do, at Secured Party's sole discretion, and at Borrower's expense and liability, any actions that Secured Party may deem necessary or desirable to effect its rights under this Security Agreement, including without limitation (a) file financing statements and otherwise perfect any security interest granted hereby, (b) correspond and negotiate directly with insurance carriers, (c) receive, open, and dispose of in any reasonable manner all mail addressed to Borrower and notify Postal Service authorities to change the address for mail addressed to Borrower to an address designated by Secured Party, (d) communicate with third parties for the purpose of protecting or preserving the Collateral, and (e) in the Borrower's or the Secured Party's name, to demand, collect, receive, and receipt for, compromise, settle and give acquittance for, and prosecute and discontinue or dismiss, with or without prejudice, any suit or proceeding respecting any of the Collateral.

7. Default. The occurrence of any one or more of the following shall be a default (hereinafter a "Default") hereunder:

7.01 The occurrence of an Event of Default under the Promissory Note.

7.02 The failure of Borrower to keep, observe, or perform any provisions of this Security Agreement, which failure is not cured and remedied within thirty (30) days after notice thereof is given to Borrower.

7.03 If any representation, warranty, or certificate furnished by Borrower under or in connection with this Security Agreement shall, at any time, be materially false or incorrect.

8. Secured Party's Rights Upon Default. Upon the occurrence of a Default hereunder, or at any time thereafter, Secured Party may immediately and without notice pursue any remedy available at law or in equity to collect, enforce, or satisfy any Obligation, including any or all of the following, which rights and remedies are cumulative, which may be exercised from time to time, and which are in addition to any rights and remedies available to Secured Party under the Promissory Note:

8.01 Uniform Commercial Code Rights. Exercise any and all of the rights and remedies of a secured party under the Uniform Commercial Code, including the right to require Borrower to assemble the Collateral and make it available to Secured Party at a place reasonably convenient to the parties.

8.02 Operation of Collateral. Operate, utilize, recondition and/or refurbish, in Secured Party's sole discretion and in any manner, any of the Collateral for the purpose of enhancing or preserving the value thereof.

8.03 Sale of Collateral. Upon thirty (30) days prior written notice to Borrower, which Borrower hereby acknowledges to be sufficient, commercially reasonable, and proper, sell, lease or otherwise dispose of any or all of the Collateral at any time and from time to time at public or private sale, with or without advertisement thereof, and apply the proceeds of any such sale first to Secured Party's expenses in preparing the Collateral for sale, including reasonable attorneys' fees, second to the complete satisfaction of the Obligation and third as required by the Uniform Commercial Code. Borrower waives the benefit of any marshalling doctrine with respect to Secured Party's exercise of its rights hereunder.

9. Notices. Every notice and communication under this Security Agreement shall be in writing and shall be given by either (i) hand-delivery; (ii) first class mail, postage prepaid; or (iii) reliable overnight commercial courier, charges prepaid, to the following addresses:

If to Secured Party:

Minnesota Corn Processors, LLC
Attn: Joe Bennett, Esq.
901 North Highway 59
Marshall, Minnesota 56258-2744

With a copy to:

Donald W. Niles, Esq.
Patterson, Thunte, Skaar, & Christensen, P.A.
4800 IDS Center
Minneapolis, Minnesota 55402-2100

If to Borrower:

Arkion Life Sciences LLC
Attn: Dr. Earnest W. Porta
3521 Silverside Road
Wilmington, DE 19810

With a copy to:

Herbert E. Hoffman, Esq.
Montgomery, McCracken, Walker & Rhoads, LLP
123 South Broad Street
Philadelphia, PA 19109

Notice by overnight courier shall be deemed to have been given and received on the date scheduled for delivery. Notice by mail shall be deemed to have been given and received three (3) calendar days after the date first deposited in the United States Mail. Notice by hand delivery shall be deemed to have been given and received upon delivery.

A party may change its address by giving written notice to the other party in accordance with this paragraph.

10. Miscellaneous.

10.01 No waiver. No delay or omission by either party in exercising any right or remedy hereunder shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any further exercise thereof or the exercise of any other right or remedy.

10.02 Successors. The provisions of this Security Agreement shall inure to the benefit of and be binding upon Secured Party and Borrower and their respective successors and assigns, provided that Borrower's obligations hereunder may not be assigned without the written consent of Secured Party.

10.03 Amendments. No modification, rescission, waiver, release, or amendment of any provisions of this Security Agreement shall be effective unless set forth in a written agreement signed by Borrower and an authorized officer of Secured Party.

10.04 Governing Law. This Security Agreement shall be construed under the laws of the State of Minnesota without regard to principles of conflict of laws and without regard to principles of contract interpretation against the drafter.

10.05 Severability. If any provision of this Security Agreement shall be held invalid or unenforceable under applicable law in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of such provision in any other jurisdiction or the validity or enforceability of any other provision of this Security Agreement that can be given effect without such invalid or unenforceable provision.

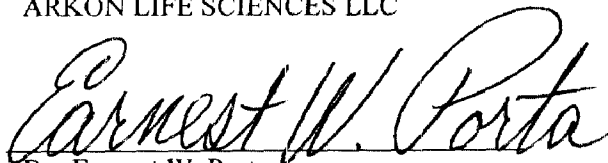
10.06 Judicial Proceedings. Each party to this Security Agreement agrees that any suit, action, or proceeding, whether by claim or counter claim, brought or instituted by any party hereto or any successor or assign of any party hereto, on or with respect to this Security Agreement or the dealings of the parties with respect

hereto, shall be tried only by a court and not by a jury. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION, OR PROCEEDING. Further, each party waives any right it may have to claim or recover, in any such suit, action, or proceeding, any special, exemplary, punitive, or consequential damages or any damages other than, or in addition to, actual damages. THE BORROWER ACKNOWLEDGES AND AGREES THAT THIS PARAGRAPH IS A SPECIFIC AND MATERIAL ASPECT OF THIS SECURITY AGREEMENT AND THAT SECURED PARTY WOULD NOT EXTEND CREDIT TO BORROWER IF THE WAIVERS SET FORTH IN THIS PARAGRAPH WERE NOT A PART OF THIS SECURITY AGREEMENT. Further, Borrower hereby agrees that any such suit, action, or proceeding will be brought in the state or federal courts of the State of Minnesota, and Borrower hereby unconditionally accepts and submits to the jurisdiction of such courts.

10.07 ACKNOWLEDGMENT. THIS SECURITY AGREEMENT CONTAINS A POWER OF ATTORNEY COUPLED WITH AN INTEREST AND IS FOR THE SOLE BENEFIT OF SECURED PARTY. THIS SECURITY AGREEMENT IS BEING EXECUTED IN CONNECTION WITH A LOAN OR OTHER FINANCIAL TRANSACTION FOR BUSINESS PURPOSES AND NOT PRIMARILY FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES. SECURED PARTY, AS AGENT FOR THE BORROWER UNDER THE POWER OF ATTORNEY, IS NOT A FIDUCIARY FOR BORROWER IN EXERCISING ANY OF ITS RIGHTS OR POWERS PURSUANT TO THE POWER OF ATTORNEY, AND MAY DO SO FOR THE SOLE BENEFIT OF SECURED PARTY AND NOT FOR THE BORROWER.

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be executed and delivered by their authorized officers the day and year first above written.

ARKON LIFE SCIENCES LLC



By: Ernest W. Porta

Its: President

Minnesota Corn Processors, LLC



By: L. Dan Thompson

Its: President

EXHIBIT A

PLACES OF BUSINESS

Places of Business

1. Arkion Life Sciences LLC
3521 Silverside Road
Wilmington, DE 19810
2. Arkion Life Sciences LLC
d/b/a Bio-Technical Resources
1035 South Seventh Street
Manitowoc, WI 54220
3. Legacy for Life II, LLC
2725 Center Place
Melbourne, FL 32940

Chief Executive Office

Arkion Life Sciences LLC
3521 Silverside Road
Wilmington, DE 19810

SCHEDULE 1.1

Collateral shall include the following:

All present and future interests in Borrower's patent rights in the areas of vitamin C (particularly L-ascorbic acid), glucosamine, natamycin, and conjugated linoleic acid (particularly linoleate isomerase), including all licensing rights as licensor and assignable licensing rights as licensee, all patent applications, the inventions described and claimed in such patent applications, all patents issuing on such patent applications, including any amendment, division, continuation, continuation-in-part, substitute, renewal, reissue, extension, confirmation, re-examination, or registration thereto, and any foreign counterpart thereof; and other related technology and know-how, including research results, discoveries, proprietary materials and methods and derivatives and parts thereof and all processes identified and products produced thereby, reports, technical data, information, know-how, practical experience, procedures, methodologies, specifications, formulae, and data irrespective of whether or not any of the foregoing is patentable; and any development or advancement thereof.

In particular, but without limitation, the following patents and applications:

With respect to vitamin C:

U.S. Pat. No. 5,521,090
U.S. Pat. No. 5,900,370
U.S. Pat. No. 5,792,631

U.S. Pat. No. 5,001,059
U.S. App. Serial No. 09/318,271
U.S. App. Serial No. 07/650,886

With respect to glucosamine:

U.S. App. Serial No. 09/656,712
U.S. App. Serial No. 09/341,600

U.S. App. Serial No. 09/115,475

With respect to natamycin:

U.S. Pat. No. 5,902,579
U.S. Pat. No. 5,229,372
U.S. Pat. No. 5,648,231

U.S. Pat. No. 5,985,845
U.S. Pat. No. 4,600,706

With respect to conjugated linoleic acid:

U.S. Pat. No. 6,136,985
U.S. App. Serial No. 09/561,077
U.S. App. Serial No. 08/915,627
U.S. App. Serial No. 09/414,403

U.S. App. Serial No. 09/221,014
U.S. App. Serial No. 09/608,045
U.S. App. Serial No. 09/522,232
U.S. App. Serial No. 60/283258