

Resub

10-23-2001



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Form PTO-1595 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

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): Poultry Management Systems, Inc.

07/16/01

2. Name and address of receiving party(ies) Name: G. Irving Latz, 2d Internal Address:

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

3. Nature of conveyance: Assignment Merger Security Agreement Change of Name Other Lien

Street Address: 6801 Covington Creek Trail City: Fort Wayne State: IN Zip: 46804

Execution Date: July 6, 2001

Additional name(s) & address(es) attached? Yes No

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s)

B. Patent No.(s)

4868901

Additional numbers attached? Yes No

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

Name: Apexa Patel, Esq.

Internal Address:

Street Address: Beckman Lawson, LLP

200 E. Main Street, Suite 800

City: Fort Wayne State: IN Zip: 46802

6. Total number of applications and patents involved: 1

7. Total fee (37 CFR 3.41): \$ 40.00

Enclosed (w/prior form) No. 101784124

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. Robert L. Nicholson Name of Person Signing

Signature

10/4/01 Date

Total number of pages including cover sheet, attachments, and documents: 5

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

PATENT REEL: 012252 FRAME: 0514

SECURITY AGREEMENT

Poultry Management Systems, Inc., a Michigan corporation ("Borrower"), grants to G. Irving Latz, 2d ("Secured Party"), a security interest in one hundred percent (100%) of the acquired assets previously owned by SCI-AGRA, Inc. (the "Collateral"), which assets were sold to Borrower under that certain Asset Purchase Agreement entered into by Borrower, Secured Party and SCI-AGRA, Inc., effective July 6, 2001, (the "Purchase Agreement"). The security interest in the Collateral is granted by Borrower to Secured Party to secure the payment of that certain indebtedness evidenced by a Promissory Note to be delivered by Borrower in favor of Secured Party (the "Note"). Any extensions or renewals of the Note and all other liabilities of Borrower in favor of Secured Party, direct or indirect, absolute or contingent, now existing or hereafter arising, all of which, Borrower agrees to pay without relief from valuation or appraisal laws, and with attorney's fees. The terms of the Note are incorporated herein by reference.

Borrower warrants to Secured Party and agrees that:

1. Borrower acquired title to the Collateral under the Purchase Agreement, and except for the security interest granted under this Security Agreement, will at all times keep the Collateral free from any adverse lien, security interest, or encumbrance.
2. No financing statement executed by the Borrower covering all or any portion of the Collateral is on file in any public office.
3. Borrower authorizes Secured Party at the expense of Borrower to execute and file on Borrower's behalf a financing statement or statements in those public offices deemed necessary by Secured Party to protect its security interest in the Collateral.
4. Borrower will not sell or offer to sell or otherwise transfer the Collateral or any interest in it without the prior written consent of Secured Party.
5. Borrower shall pay promptly when due any and all taxes and assessments upon the Collateral which are assessed after the date hereof.
6. The occurrence of any one of the following events shall constitute an event of default under the Security Agreement:
 - 6.1 Borrower fails to perform or observe any term of, or default under, the Note which results in the debt evidenced by the Note being declared due before its maturity;
 - 6.2 There is a default under the terms of the Note;
 - 6.3 Borrower becomes insolvent or unable to pay Borrower's debts as they become due;

6.4 Borrower makes an assignment for the benefit of creditors, consents to the appointment of a custodian, receiver or trustee for itself or for a substantial part of its assets, or commences any proceeding under any bankruptcy, reorganization, liquidation, insolvency, or similar laws of any jurisdiction;

6.5 A custodian, receiver, or trustee is appointed for Borrower or for a substantial part of its assets without its consent and is not removed within 60 days after such appointment;

6.6 Proceedings are commenced against Borrower under any bankruptcy, reorganization, liquidation, or similar laws of any jurisdiction, and such proceedings remain undismissed for 60 days after commencement, or Borrower consents to such proceedings;

6.7 Any judgment is entered against Borrower or any attachment, levy or garnishment is issued against any property of Borrower; or

6.8 Borrower is dissolved, merges, or consolidates with any third party, sells the material part of its assets or business outside the ordinary course of its business, engages in any stock exchange of the same effect, or agrees to do any of the foregoing.

7. When an event of default occurs, the Note may, at the option of Secured Party, and without notice or demand, be declared immediately due and payable. Secured Party may exercise from time to time any rights and remedies of a secured party under the Uniform Commercial Code or other applicable law.

8. No delay on the part of Secured Party in the exercise of any right or remedy shall operate as a waiver thereof; and no single or partial exercise by Secured Party of any right or remedy shall preclude other or further exercise thereof or the exercise of any right or remedy.

9. This Security Agreement shall be construed in accordance with the laws of the State of Michigan. Whenever possible, each provision of the Security Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provisions of this Security Agreement shall be prohibited by, or invalid under applicable law, such provisions shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Security Agreement.

10. Stephen Herbruck, signing this Security Agreement in a representative capacity on behalf of Borrower, warrants and represents that:

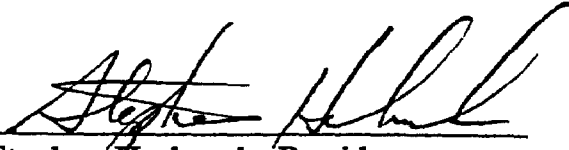
10.1 He has the actual authority and power to execute this Security Agreement and to bind the Borrower to its provisions; and

10.2 All corporate or other corporate action necessary for entering into this Security Agreement has been duly taken.

11. This Security Agreement shall be binding upon the successors, assigns, and legal representatives of Borrower, and the rights and privileges of Secured Party under this Security Agreement shall inure to the benefit of its successors and assigns.

This Agreement is effective on the 6th day of July, 2001.

Poultry Management Systems, Inc.

By: 
Stephen Herbruck, President

"Borrower"

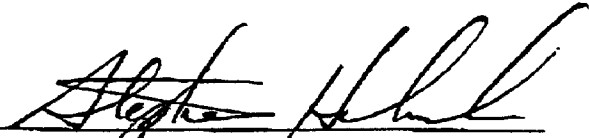
G. Irving Latz, 2d

"Secured Party"

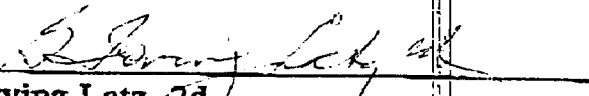
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RECORDATION FORM COVER SHEET
PATENTS ONLY

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

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Internal Address: _____

Street Address: _____
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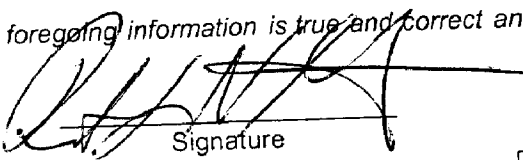
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4868901
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5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Apexa Patel, Esq.
Internal Address: _____

Street Address: Beckman Lawson, LLP
200 E. Main Street, Suite 800
City: Fort Wayne State: IN Zip: 46802

6. Total number of applications and patents involved: 1
7. Total fee (37 CFR 3.41).....\$ 40.00
 Enclosed (w/prior form)
No. 101784124
 Authorized to be charged to deposit account
8. Deposit account number:
(Attach duplicate copy of this page if paying by deposit account)

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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.
Robert L. Nicholson  10/4/01
Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and documents: 5

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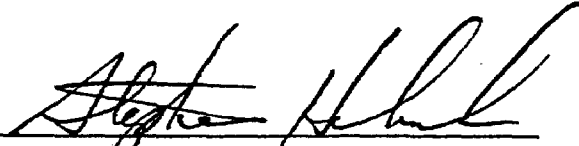
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"Borrower"

G. Irving Latz, 2d

"Secured Party"