

04-17-2002

Form PTO-1595
(Rev. 03/01)

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U.S. DEPARTMENT OF COMMERCE
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OMB No. 0651-0027 (exp. 5/31/2002)

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

4-17-02

1. Name of conveying party(ies):

MS BioScience, Inc.

4-17-02

2. Name and address of receiving party(ies)

Name: LaSalle Bank National Association

Internal Address: _____

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

3. Nature of conveyance:

- Assignment Merger
- Security Agreement Change of Name
- Other _____

Street Address: 135 S. LaSalle Street

City: Chicago State: IL Zip: 60603

Execution Date: April 4, 2002

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)

6,110,455

Additional numbers attached? Yes No

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

Name: Diana Y. Tsai

Internal Address: Schwartz, Cooper,

Greenberger & Krauss

Street Address: 180 N. LaSalle

Suite 2700

City: Chicago State: IL Zip: 60601

6. Total number of applications and patents involved: 1

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

- 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.

Diana Y. Tsai

Name of Person Signing

Diana Y. Tsai

Signature

04/16/02

Date

04/17/2002 DBYRME 00000224 6110455

Total number of pages including cover sheet, attachments, and documents: 7

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

01 FC:581

PATENT
REEL: 012785 FRAME: 0001

PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (this "Security Agreement") made as of this 4th day of April, 2002, by Milk Specialties Company, a Delaware corporation ("MSC"), and MS BioScience, Inc., a Delaware corporation ("MS Bio," and together with MSC hereinafter collectively referred to as "**Borrowers**" and each as a "**Borrower**") in favor of LaSalle Bank National Association, with an office at 3201 North Ashland Avenue, Chicago, Illinois 60657 ("**Lender**"):

W I T N E S S E T H

WHEREAS, Borrowers and Lender are parties to a certain Loan and Security Agreement of even date herewith (as amended, amended and restated or otherwise modified from time to time, the "**Loan Agreement**") and other related loan documents of even date herewith (collectively, with the Loan Agreement, and as each may be amended or otherwise modified from time to time, the "**Financing Agreements**"), which Financing Agreements provide (i) for Lender to, from time to time, extend credit to or for the account of Borrowers and (ii) for the grant by each Borrower to Lender of a security interest in certain of such Borrower's assets, including, without limitation, its patents and patent applications;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, each Borrower agrees as follows:

1. Incorporation of Financing Agreements. The Financing Agreements and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Liabilities, each Borrower hereby grants to Lender, and hereby reaffirms its prior grant pursuant to the Financing Agreements of, a continuing security interest in such Borrower's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, all patentable inventions and those patents and patent applications listed on Schedule A-1 (with respect to MSC) and Schedule A-2 (with respect to MS Bio) attached hereto and made a part hereof and all patents and the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "**Patents**").

3. Warranties and Representations. Each Borrower warrants and represents to Lender that:

(i) no Patent has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Patent been cancelled, in whole or in part and each such Patent is presently subsisting;

(ii) such Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Patent, free and clear of any liens, charges and encumbrances, including without limitation, shop rights and covenants by such Borrower not to sue third persons;

(iii) such Borrower has no notice of any suits or actions commenced or threatened with reference to any Patent; and

(iv) such Borrower has the unqualified right to execute and deliver this Security Agreement and perform its terms.

4. Restrictions on Future Agreements. Each Borrower agrees that until such Borrower's Liabilities shall have been satisfied in full and the Financing Agreements shall have been terminated, such Borrower shall not, without the prior written consent of Lender, sell or assign its interest in any Patent or enter into any other agreement with respect to any Patent which would affect the validity or enforcement of the rights transferred to Lender under this Security Agreement.

5. New Patents. Each Borrower represents and warrants that, based on a diligent investigation by such Borrower, the Patents listed on Schedule A-1 (with respect to MSC) and Schedule A-2 (with respect to MS Bio) constitute all of the federally registered Patents and Patent applications now owned by such Borrower. If, before each Borrower's Liabilities shall have been satisfied in full or before the Financing Agreements have been terminated, such Borrower shall (i) become aware of any existing Patents of which such Borrower has not previously informed Lender, (ii) obtain rights to any new patentable inventions or Patents, or (iii) become entitled to the benefit of any Patents, which benefit is not in existence on the date hereof, the provisions of this Security Agreement above shall automatically apply thereto and such Borrower shall give to Lender prompt written notice thereof. Each Borrower hereby authorizes Lender to modify this Security Agreement by amending Schedule A-1 (with respect to MSC) and Schedule A-2 (with respect to MS Bio) to include any such Patents.

6. Royalties; Terms. The term of this Security Agreement shall extend until the earlier of (i) the expiration of each of the Patents, and (ii) the payment in full of each Borrower's Liabilities and the termination of the Financing Agreements. Each Borrower agrees that upon the occurrence of an Event of Default, the use by Lender of all Patents shall be without any liability for royalties or other related charges from Lender to such Borrower.

7. Release of Security Interest. This Security Agreement is made for collateral purposes only. Upon payment in full of each Borrower's Liabilities and termination of the Financing Agreements, Lender shall take such actions as may be necessary or proper to terminate the security interests created hereby and pursuant to the Financing Agreements.

8. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Borrowers. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Lender in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Patents or in defending or prosecuting any actions or proceedings arising out of or related to the Patents shall be borne by and paid by Borrowers and until paid shall constitute Liabilities.

9. Duties of Borrower. Each Borrower shall have the duty (i) to file and prosecute diligently any patent applications pending as of the date hereof or hereafter until such Borrower's Liabilities shall have been paid in full and the Financing Agreements have been terminated, (ii) to make application on unpatented but patentable inventions, as commercially reasonable, (iii) to preserve and maintain all rights in the Patents, as commercially reasonable and (iv) to ensure that the Patents are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with each Borrower's obligations under this Section 9 shall be borne by such Borrower.

10. Lender's Right to Sue. After an Event of Default, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents and, if Lender shall commence any such suit, each Borrower shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement and such Borrower shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this Section 10.

11. Waivers. No course of dealing between each Borrower and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Financing Agreements shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

12. Severability. The provisions of this Security Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Security Agreement in any jurisdiction.

13. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

14. Cumulative Remedies; Power of Attorney; Effect on Financing Agreements. All of Lender's rights and remedies with respect to the Patents, whether

established hereby or by the Financing Agreements, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Each Borrower hereby authorizes Lender upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent of Lender as Lender may select, in its sole discretion, as such Borrower's true and lawful attorney-in-fact, with power to (i) endorse such Borrower's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use of the Patents or (ii) take any other actions with respect to the Patents as Lender deems to be in the best interest of Lender, or (iii) grant or issue any exclusive or non-exclusive license under the Patents to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents to anyone. Each Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until each Borrower's Liabilities shall have been paid in full and the Financing Agreements have been terminated. Each Borrower acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under the Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies. Lender shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Financing Agreements, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Illinois.

15. Binding Effect; Benefits. This Security Agreement shall be binding upon each Borrower and its respective successors and assigns, and shall inure to the benefit of Lender, its successors, nominees and assigns.

16. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and applicable federal law.

17. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

18. Further Assurances. Each Borrower agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Lender shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and agreements set forth herein.

19. Survival of Representations. All representations and warranties of each Borrower contained in this Security Agreement shall survive the execution and delivery of this Security Agreement and shall be remade on the date of each borrowing under the Financing Agreements.

IN WITNESS WHEREOF, each Borrower has duly executed this Security Agreement as of the date first written above.

MILK SPECIALTIES COMPANY, a Delaware corporation

By Michael S. Brennan
Name MICHAEL S. BRENNAN
Its SENIOR VICE PRESIDENT

MS BIOSCIENCE, INC., a Delaware corporation

By [Signature]
Name DAVID SCHLAPPA
Its ASST. TREASURER

Agreed and Accepted
As of the Date First Written Above

LASALLE BANK NATIONAL ASSOCIATION, a national banking association

By [Signature]
Name Jeffrey Seiden
Its Vice President

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rev 9/30/99

SCHEDULE A-1

MILK SPECIALTIES COMPANY

PATENTS

<u>Patent Description</u>	<u>U.S. Patent No.</u>	<u>Issue Date</u>
Liquid diet delivery system and control valve for use therein.	5,553,743	September 10, 1996

PATENT APPLICATIONS

<u>Patent Application Description</u>	<u>U.S. Patent Application No.</u>	<u>Date Applied</u>
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SCHEDULE A-2

MS BIOSCIENCE, INC.

PATENTS

<u>Patent Description</u>	<u>U.S. Patent No.</u>	<u>Issue Date</u>
Method for encouraging poultry to distribute and ingent competitive exclusion products.	6,110,455	August 29, 2000

PATENT APPLICATIONS

<u>Patent Application Description</u>	<u>U.S. Patent Application No.</u>	<u>Date Applied</u>
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