



10/8/02

10-15-2002

28

Form PTO-1594

(Rev 6-93)



U.S. Department of Commerce

Patent and Trademark Office

102249430

To the Honorable Commissioner of Patents and Trademarks original documents or copy thereof.

1. Name of conveying party(ies):

NASTECH PHARMACEUTICAL COMPANY, INC.

- Individual(s)
- General Partnership
- Other
- Association
- Limited Partnership

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

3. Nature of conveyance:

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

Execution Date: September 30, 2002

2. Name and address of receiving party(ies):

Name: SCHWARZ PHARMA, INC., as administrative agent

Street Address: 6140 W. Executive Drive

City: Mequon State: WI ZIP: 53092

Country: _____

Individual(s) citizenship

Association

General Partnership

Limited Partnership

* Corporation

Other bank, financial institution

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

4. Application number(s) or trademark number(s): SEE ATTACHMENT 1

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

A. Trademark Application No.(s) SEE ATTACHMENT 1

B. Trademark No.(s) SEE ATTACHMENT 1

Additional numbers attached * Yes No

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

Name: Robert E. Rude II

Internal Address: Mayer, Brown, Rowe & Maw

Street Address: 1909 K Street, NW

City: Washington State: DC ZIP: 20006

6. Total number of applications and trademarks involved:

2

7. Total fee (37 CFR 3.41): \$ 65.00

* Enclosed (Check No. 1940)

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 E. Rude II
Name of Person Signing

[Signature]
Signature

October 8, 2002
Date

Total number of pages comprising cover sheet and document attachments: 6

10/11/2002 TDIAZI 00000030 2157683

01 FC:481
02 FC:482

40.00 DP
25.00 DP

Item A. TrademarksRegistered Trademarks

<u>Country</u>	<u>Trademark</u>	<u>Registration No.</u>	<u>Registration Date</u>
USA	NASCOBAL	2157683	May 12, 1998
USA	NASCOBAL B	2107276	October 21, 1997

Pending Trademark Applications

<u>Country</u>	<u>Trademark</u>	<u>Serial No.</u>	<u>Filing Date</u>
None			

Trademark Applications in Preparation

<u>Country</u>	<u>Trademark</u>	<u>Expected Products/ Docket No.</u>	<u>Filing Date</u>	<u>Services</u>
None				

Item B. Trademark Licenses

<u>Country or Territory</u>	<u>Trademark</u>	<u>Licensor</u>	<u>Licensee</u>	<u>Effective Date</u>	<u>Expiration Date</u>
None					

Item C. Trade Secret or Know-How Licenses

<u>Country or Territory</u>	<u>Licensor</u>	<u>Effective Licensee</u>	<u>Expiration Date</u>	<u>Subject Date</u>	<u>Matter</u>
None					



TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of September 30, 2002, is between Nastech Pharmaceutical Company, Inc., a Delaware corporation (the "Grantor"), and Schwarz Pharma, Inc., a Delaware corporation (the "Beneficiary").

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Grantor agrees, for the benefit of the Beneficiary, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement have the meanings provided in the Loan Agreement, dated as of August 30, 2002 (the "Loan Agreement"), among the Grantor and the Beneficiary.

SECTION 2. Grant of Security Interest. To secure all of the Obligations, the Grantor does hereby mortgage, pledge and hypothecate to the Beneficiary, and grant to the Beneficiary a security interest in, all of the following property, to the extent it relates to the Business, (the "Trademark Collateral"), whether now owned or hereafter acquired or existing:

(a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, certification marks, collective marks, logos, other source of business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of a like nature referred to in Attachment 1 hereto (all of the foregoing items in this clause (a) being collectively called a "Trademark"), now existing anywhere in the United States or hereafter adopted or acquired, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any State thereof;

(b) all reissues, extensions or renewals of any of the items described in clause (a);

(c) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clause (a); and

(d) all proceeds of, and rights associated with, the foregoing, including any claim by the Grantor against third parties for past, present, or future infringement or dilution of any Trademark or Trademark registration referred to in Attachment 1 hereto, or for any injury to the goodwill associated with the use of any Trademark.

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the Grantor for the purpose of registering the security interest of the Beneficiary in the Trademark Collateral with the United States Patent and Trademark Office. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Beneficiary under the Security Agreement. The Security Agreement (and all rights and remedies of the Beneficiary thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Security Interest. Upon payment in full of all Obligations, the Beneficiary shall, at the Grantor's expense, execute and deliver to the Grantor all instruments and other documents as may be necessary or proper to release the lien on and security interest in the Trademark Collateral which has been granted hereunder.

SECTION 5. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Beneficiary with respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

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

NASTECH PHARMACEUTICAL COMPANY, INC.

By: *Gregory Weism*
Name: *Gregory Weism*
Title: *CEO*

Address: 3450 Monte Villa Parkway
Bothell, WA 98021

Facsimile: (425) 908-3650
Attention: President

SCHWARZ PHARMA, INC.

By: _____
Dr. Ron Stratton, President and COO

Address: 6140 W. Executive Drive
Mequon, Wisconsin 53902

Facsimile: (262) 242-1641
Attention: General Counsel

17089319 02007651

TRADEMARK
REEL: 002599 FRAME: 0205

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