

09-24-2003

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Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005)



U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

Tab settings

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

1. Name of conveying party(ies):

Aerogen, Inc.

9-19-03

- Individual(s), Association, General Partnership, Limited Partnership, Corporation-State Delaware, Other

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 8, 2003

2. Name and address of receiving party(ies)

Name: SF Capital Partners, Ltd.

Internal c/o Staro Asset Management LLC Address:

Street Address: 3600 South Lake Drive

City: St. Francis State: WI Zip: 53235

- Individual(s) citizenship, Association, General Partnership, Limited Partnership, Corporation-State

Other British Virgin Islands Company

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

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

A. Trademark Application No.(s) See schedule attached

B. Trademark Registration No.(s) See schedule attached

Additional number(s) attached Yes No

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

Name: Todd Braverman

Internal Address: Bryan Cave LLP

Street Address: 1290 Avenue of the Americas

City: New York State: NY Zip: 10104

6. Total number of applications and registrations involved:

11

7. Total fee (37 CFR 3.41): \$290.00

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number:

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

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.

Todd Braverman

Name of Person Signing

Todd Braverman

Signature

9/19/03

Date

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



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

09/23/2003

01 FC:8523 02 FC:8522

DO NOT USE THIS SPACE

TRADEMARKS

MARK	APPLICATION/ REGISTRATION NO.	GOODS/SERVICES	DATE
	Registration No. 2,451,182	Class 10: Electronic devices used to introduce medication into the respiratory system by mouth	Registered 5/15/01
AEROGEN	Registration No. 2,459,921	Class 10: Electronic device used to introduce medication into the respiratory system	Registered 6/12/01
	Registration No. 2,636,980	Class 10: Electronic devices used to introduce medication into the respiratory system by mouth, namely inhalers and nebulisers	Registered 10/15/02
AERODOSE	Registration No. 2,478,278	Class 10: Liquid inhaler for use in treating pulmonary and respiratory diseases	Registered 8/14/01
AERONEB	Registration No. 2,517,653	Class 10: Aerosol nebulizers for use in treating respiratory diseases	Registered 12/11/01
AEROLIN	Application No. 78/163,549	Class 10: Containers and container assemblies for holding insulin for use with and within inhalation devices	Filed 9/12/02
AERODOME	Application No. 78/069,452	Class 10: Aerosol generators and dispensers for medical use	Filed 6/15/01
ELECTRONIC MICRO-PUMP	Application No. 78/140,345	Class 10: Inhalers and nebulizers for administering medication by inhalation, and components therefor, namely aerosol generators and components therefor	Filed 7/1/02
GO	Application No. 78/233,271	Class 10: Nebulizers for respiration therapy	Filed 4/2/03
ON-Q	Application No. 78/181,065	Class 10: Devices for creating aerosol preparations for inhalation, namely nebulizers, inhalers and aerosol generators and associated components therefor	Filed 11/1/02
PULMOLIN	Application No. 78/072,295	Class 5: Insulin	Filed 7/3/01

INTELLECTUAL PROPERTY SECURITY AGREEMENT

INTELLECTUAL PROPERTY SECURITY AGREEMENT (the "Agreement"), dated as of September 5, 2003, among Aerogen, Inc., a Delaware corporation (the "Borrower"), and the lenders signatory hereto (each lender including their respective successors, endorsees, transferees and assigns, a "Secured Party", and collectively, the "Secured Parties").

W I T N E S S E T H:

WHEREAS, pursuant to the Loan and Securities Purchase Agreement, dated the date hereof between the Borrower and the parties thereto, the Secured Parties have agreed to extend certain loans to the Borrower which shall be evidenced by the issuance on one or more occasions to such Secured Parties of the Borrower's Secured Convertible Debentures (the "Debentures"), due on the Maturity Date (as defined in the Debentures) in the aggregate principal amount of up to \$2,000,000.

WHEREAS, in order to induce the Secured Parties to enter into the contemplated transactions, the Borrower has agreed to execute and deliver to the Secured Parties this Agreement for the benefit of the Secured Parties and a separate agreement granting to them a first priority security interest in the Collateral (as defined herein), to secure the prompt payment, performance and discharge in full of all of the Borrower's obligations under this Agreement and the Debentures.

NOW, THEREFORE, in consideration of the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Certain Definitions. As used in this Agreement, the following terms shall have the meanings set forth in this Section 1. Terms used but not otherwise defined in this Agreement that are defined in Article 9 of the UCC (such as "general intangibles" and "proceeds") shall have the respective meanings given such terms in Article 9 of the UCC; Other terms used but not otherwise defined in this Agreement shall have the respective meanings given such terms in the Security Agreement.

(a) "Agent" means SF Capital Partners, Ltd., as agent for each of the Secured Parties pursuant to this Agreement, or such other Person as shall have been subsequently appointed as a successor agent pursuant to this Agreement.

(b) "Collateral" means all of the Borrower's right, title and interest in and to all of Trademarks, Patents, Copyrights, and other general intangible property of the Borrower, all trade secrets, intellectual property rights in computer software and computer software products, design rights which may be available to the Borrower, rights to proceeds arising from any and all claims for damages by way of past, present and future infringement of any Collateral with the right but not the obligation to sue on behalf of and collect such damages for said use or infringement, licenses to use any of the Copyrights, Patents or Trademarks, and

all license fees and royalties arising from such use to the extent permitted by such license or rights. The term "Collateral" shall include all of the foregoing items, whether presently owned or existing or hereafter acquired or coming into existence, all additions and accessions thereto, all substitutions and replacements thereof, and all proceeds, products and accounts thereof, including without limitation all proceeds from the licensing or sale or other transfer of Collateral and of insurance covering the same and of any tort claims in connection therewith.

Notwithstanding anything to the contrary in the foregoing, at the time of closing of the MIA transaction, the term "Collateral" shall no longer include the Equipment needed to manufacture/assemble the OnQ Aerosol Generator, as specifically set forth on Schedule B hereto, all of which are to be conveyed pursuant to Borrower's agreement with Medical Industries America, Inc. consistent with the term sheet signed on August 15, 2003 (collectively, the "MIA Assets").

Notwithstanding anything to the contrary in the foregoing, the grant of a security interest as provided herein shall not extend to, and the term "Collateral" shall not include: to the extent such exclusion does not result in a Material Adverse Effect (as defined in the Loan Agreement), any immaterial Contract, Instrument or Chattel Paper in which the Borrower has any right, title or interest if and to the extent such Contract, Instrument or Chattel Paper includes a provision containing a restriction on assignment such that the creation of a security interest in the right, title or interest of the Borrower therein would be prohibited and would, in and of itself, cause or result in a default thereunder enabling another person party to such Contract, Instrument or Chattel Paper to enforce any remedy with respect thereto.

(c) "Copyrights" means any and all copyrights, copyright applications, copyright registration and like protections in each work or authorship and derivative work thereof that is created by the Borrower, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held, including, without limitation, those set forth on Exhibit A attached hereto.

(d) "Obligations" means all of the Borrower's obligations under this Agreement and the Debentures, in each case, whether now or hereafter existing, voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owed with others, and whether or not from time to time decreased or extinguished and later increased, created or incurred, as such obligations may be amended, supplemented, converted, extended or modified from time to time pursuant to the terms of this Agreements or the Debentures, as applicable.

(e) "Patents" means all of the Borrower's patents, patent applications, letters patent and like protections, including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same, and including, without limitation, those set forth on Exhibit B attached hereto.

(f) "Security Agreement" means that certain Security Agreement of even date herewith executed by the Borrower in favor of the Secured Parties.

(g) "Trademarks" means any trademark, service mark right, whether or not registered, applications to register and registrations of the same and like protections, and the entire goodwill of the business of the Borrower connected with or symbolized by such trademarks, including, without limitation, those set forth on Exhibit C attached hereto.

(h) "UCC" means the Uniform Commercial Code and/or any other applicable law of each jurisdiction in which the Borrower is incorporated or organized (including, without limitation the State of Delaware and the State of California) and any jurisdiction as to any Collateral located therein.

2. Grant of Security Interest. As an inducement for the Secured Parties to enter into the contemplated transactions and to secure the complete and timely payment, performance and discharge in full, as the case may be, of all of the Obligations, the Borrower hereby, unconditionally and irrevocably, pledges, grants and hypothecates to the Secured Parties, a continuing first priority security interest in, and a first lien upon and a right of set-off against all of the Borrower's right, title and interest of whatsoever kind and nature in and to the Collateral (the "Security Interest").

3. Representations, Warranties, Covenants and Agreements of the Borrower. The Borrower represents and warrants to, and covenants and agrees with, each of the Secured Parties as follows:

(a) The Borrower has the requisite corporate power and authority to enter into this Agreement and to otherwise carry out its obligations thereunder. The execution, delivery and performance by the Borrower of this Agreement and the filings contemplated therein have been duly authorized by all necessary action on the part of the Borrower and no further action is required by the Borrower.

(b) Except for the Security Interest granted hereunder and Permitted Liens, the Borrower is the sole owner of its rights in the Collateral, free and clear of any liens, security interests or encumbrances, and is fully authorized to grant the Security Interest in and to pledge the Collateral. There is not on file in any governmental or regulatory authority, agency or recording office an effective financing statement, security agreement or transfer or any notice of any of the foregoing (other than those that have been filed in favor of the Secured Parties pursuant to this Agreement or in connection with Permitted Liens) covering or affecting any of the Collateral. So long as this Agreement shall be in effect, the Borrower shall not execute and shall not authorize the filing of in any such office or agency any such financing statement or other document or instrument (except to the extent filed or recorded in favor of the Secured Parties pursuant to the terms of this Agreement or in connection with Permitted Liens) without the consent of the Secured Parties.

(c) Exhibit A sets forth a true and complete list of all Copyrights in existence as of the date of this Agreement. Exhibit B sets forth a true and complete list of all Patents that have been filed as of the date of this Agreement. Exhibit C sets forth a true and complete list of all Trademarks filed as of the date of this Agreement. The Borrower shall, within thirty (30) days of obtaining knowledge thereof, advise the Secured Parties in writing of

any change in the composition of any material item of the Collateral, including, without limitation, any subsequent ownership rights of the Borrower in or to any material Copyright, Patent or Trademark.

(d) Borrower has no knowledge of any claim that any of the Collateral or the Borrower's use of any Collateral violates the rights of any third party. There has been no adverse decision of which the Borrower is aware as to the Borrower's exclusive (or nonexclusive, as the case may be) rights to use the Collateral in any jurisdiction, and, to the knowledge of the Borrower there is no proceeding involving said rights pending or threatened before any court, judicial body, administrative or regulatory agency, arbitrator or other governmental authority.

(e) The Borrower shall at all times maintain its books of account and records relating to material Collateral at its principal place of business and may not relocate such books of account and records unless it delivers to each of the Secured Parties at least 30 days prior to such relocation (i) written notice of such relocation and the new location thereof (which must be within the United States) and (ii) evidence that appropriate financing statements and other necessary documents have been filed and recorded and other steps have been taken to perfect the Security Interest to create in favor of each of the Secured Parties a valid, perfected and continuing first priority lien in the Collateral, subject to Permitted Liens.

(f) This Agreement creates in favor of each of the Secured Parties a valid security interest in the Collateral, securing the payment and satisfaction of the Obligations, and, upon making the filings described in the immediately following sentence, a perfected first priority security interest in such Collateral that is senior to all hereinafter created security interests, other than Permitted Liens. Except for (x) the filing of this Agreement with the United States Patent and Trademark Office with respect to the Patents and Trademarks and the filing of this Agreement with the United States Copyrights Office with respect to the Copyrights, and (y) the filing of financing statements on Form UCC-1 under the UCC with the jurisdictions indicated in Schedule A, attached hereto, and (z) making other filings as may be required under the applicable foreign jurisdictions, no authorization or approval of or filing with or notice to any governmental authority or regulatory body is required either: (i) for the grant by the Borrower of, or the effectiveness of, the Security Interest granted hereby or for the execution, delivery and performance of this Agreement by the Borrower or (ii) for the perfection of or exercise by the Secured Parties of its rights and remedies hereunder.

(g) On the date of execution of this Agreement, the Borrower authorizes each Secured Party to: (i) file one or more financing statements under the UCC with respect to the Security Interest for filing with the jurisdictions indicated on Schedule A, attached hereto and (ii) record one or more executed recordation sheets relating to the filing and recording of this Agreement with each of the United States Patent and Trademark Office and the United States Copyrights Office with respect to the Patents, Trademarks and Copyrights that are now in existence.

(h) The execution, delivery and performance of this Agreement does not conflict with or cause a breach or default, or an event that with or without the passage of time

or notice, shall constitute a breach or default, under any agreement to which the Borrower is a party or by which the Borrower is bound. No consent (including, without limitation, from stock holders or creditors of the Borrower) is required for the Borrower to enter into and perform its obligations hereunder, other than consents already obtained by the Borrower.

(i) The Borrower shall at all times maintain the liens and Security Interest provided for hereunder as valid and perfected first priority liens and security interests in the Collateral (subject to Permitted Liens) in favor of each of the Secured Parties and insure that such liens and Security Interests are and remain senior to all not existing and hereafter created security interests and liens. The Borrower hereby agrees to defend the same against any and all persons. The Borrower shall safeguard and protect all Collateral. At the request of the Agent and/or Secured Parties, the Borrower will sign and deliver to the Secured Parties at any time or from time to time one or more financing statements pursuant to the UCC in form reasonably satisfactory to the Secured Parties and will pay the cost of filing the same in all public offices wherever filing is, or is deemed by the Secured Parties to be, necessary to effect the rights and obligations provided for herein. Without limiting the generality of the foregoing, the Borrower shall pay all fees, taxes and other amounts necessary to maintain the Security Interest hereunder, and the Borrower shall obtain and furnish to the Secured Parties from time to time, upon demand, such releases and/or subordinations of claims and liens which may be required to maintain the priority of the Security Interest hereunder.

(j) The Borrower will not allow any material Collateral to be abandoned, forfeited or dedicated to the public without the prior written consent of the Secured Parties. Except pursuant to Section 13 hereof and other than Permitted Transfers, the Borrower will not transfer, pledge, hypothecate, encumber, license, sell or otherwise dispose of any of the Collateral without the prior written consent of the Secured Parties.

(k) The Borrower shall, within ten (10) days of obtaining knowledge thereof, advise the Agent, in sufficient detail, of any substantial change in the Collateral, and of the occurrence of any event which would have a material adverse effect on the value of the Collateral or on the Secured Parties' security interest therein.

(l) The Borrower shall permit the Secured Parties and its representatives and agents upon prior written consent and at the expense of the Secured Parties to inspect the Collateral at any time during normal business hours, and to make copies of records pertaining to any material item of Collateral as may be reasonably requested by the Secured Parties from time to time.

(m) The Company shall promptly execute and deliver to the Secured Party such further deeds, mortgages, assignments, security agreements, financing statements or other instruments, documents, certificates and assurances and take such further action as necessary to perfect, protect or enforce its security interest in the Collateral including, without limitation, the execution and delivery of the Security Agreement.

(n) The Borrower will take all steps it considers reasonably necessary to diligently pursue and seek to preserve, enforce and collect any rights, claims, causes of action and accounts receivable in respect of the Collateral.

(o) The Borrower shall promptly notify the Agent in sufficient detail upon becoming aware of any attachment, garnishment, execution or other legal process levied against any Collateral and of any other information received by the Borrower that reasonably would be expected to substantially affect the value of the Collateral, the Security Interest or the rights and remedies of the Secured Parties hereunder.

(p) The Borrower shall not use or permit any Collateral to be used unlawfully or in violation of any provision of this Agreement or any applicable statute, regulation or ordinance or any policy of insurance covering the Collateral where violation is reasonably likely to have a material adverse effect on the Secured Parties' rights in the Collateral or Secured Parties' ability to foreclose on the Collateral.

(q) Other than Permitted Liens, the Borrower shall not grant to any person or entity any rights or interest in or to any of the Collateral that are senior to, or pari passu with, the Secured Parties..

(r) The Borrower shall notify the Agent of any change in the Borrower's name, identity, chief place of business, chief executive office or residence within 30 days of such change.

4. Defaults. The following events shall be "Events of Default":

(a) The occurrence of an Event of Default (as defined in the Debentures) under the Debentures which shall not have been cured within 30 days, to the satisfaction of the Agent;

(b) Any material representation or warranty of the Borrower in this Agreement or in the Security Agreement, shall prove to have been incorrect in any material respect when made; and

(c) The failure by the Borrower to observe or perform any of its obligations hereunder or in the Security Agreement, for ten (10) Trading Days (as defined in the Debentures) after receipt by the Borrower of written notice of such failure from the Secured Parties.

5. Duty To Hold In Trust. Upon the occurrence and during the continuation of any Event of Default, the Borrower shall, upon receipt by it of any revenue, income or other sums subject to the Security Interest, or of any check, draft, note, trade acceptance or other instrument evidencing an obligation to pay any such sum, hold the same in trust for the Secured Parties and shall upon request by the Secured Parties forthwith endorse and transfer any such sums or instruments, or both, to the Secured Parties for application to the satisfaction of the Obligations.

6. Rights and Remedies Upon Default. Upon the occurrence and during the continuation of any Event of Default, the Agent (on behalf of, and for the benefit of itself and each Secured Party) shall have the right to exercise all of the remedies conferred hereunder, under the Debentures, and the Agent and the Secured Parties shall have all the rights and remedies of a secured party under the UCC. Without limitation, upon and during the continuance of an Event of Default, the Secured Parties and the Agent shall have the rights and powers set forth in Section 6 of the Security Agreement.

7. Applications of Proceeds; Expenses. (a) The proceeds of any such sale, sublicense or other disposition of the Collateral hereunder shall be applied as set forth in Section 7 of the Security Agreement.

(b) The Borrower agree to pay all out-of-pocket fees, costs and expenses reasonably incurred in connection with any filing required hereunder, including, without limitation, any financing statements, continuation statements, partial releases and/or termination statements related thereto or any expenses of any searches reasonably required by the Agent. The Borrower shall also pay all other claims and charges which in the reasonable opinion of the Agent and/or Secured Parties would reasonably be expected to prejudice, imperil or otherwise affect the Collateral or the Security Interest therein. The Borrower will also, upon demand, pay to the Agent and/or Secured Parties the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which the Agent and/or Secured Parties may incur in connection with the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral.

8. Responsibility for Collateral. The Borrower assumes all liabilities and responsibility in connection with all Collateral, and the obligations of the Borrower hereunder or under the Debentures shall in no way be affected or diminished by reason of the loss, destruction, damage or theft of any of the Collateral or its unenforceability or unavailability for any reason.

9. Security Interest Absolute. All rights of the Secured Parties and all Obligations of the Borrower hereunder, shall be absolute and unconditional, irrespective of: (a) any lack of validity or enforceability of this Agreement, the Debentures or any agreement entered into in connection with the foregoing, or any portion hereof or thereof; (b) any change in the time, manner or place of payment or performance of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Debentures or any other agreement entered into in connection with the foregoing; (c) any exchange, release or nonperfection of any of the Collateral, or any release or amendment or waiver of or consent to departure from any other collateral for, or any guaranty, or any other security, for all or any of the Obligations; (d) any action by the Secured Parties to obtain, adjust, settle and cancel in its sole discretion any insurance claims or matters made or arising in connection with the Collateral; or (e) any other circumstance which might otherwise constitute any legal or equitable defense available to the Borrower, or a discharge of all or any part of the Security Interest granted hereby. Until the Obligations shall have been paid and performed in full, the rights of the Secured Parties shall continue even if the Obligations are barred for any reason, including, without limitation, the running of the statute of limitations or bankruptcy. The Borrower expressly waives presentment, protest, notice of protest, demand, notice of

nonpayment and demand for performance. In the event that at any time any transfer of any Collateral or any payment received by the Secured Parties hereunder shall be deemed by final order of a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under the bankruptcy or insolvency laws of the United States, or shall be deemed to be otherwise due to any party other than the Secured Parties, then, in any such event, the Borrower's obligations hereunder shall survive cancellation of this Agreement, and shall not be discharged or satisfied by any prior payment thereof and/or cancellation of this Agreement, but shall remain a valid and binding obligation enforceable in accordance with the terms and provisions hereof. The Borrower waives all right to require the Secured Parties to proceed against any other person or to apply any Collateral which the Secured Parties may hold at any time, or to marshal assets, or to pursue any other remedy. The Borrower waives any defense arising by reason of the application of the statute of limitations to any obligation secured hereby.

10. Term of Agreement. This Agreement and the Security Interest shall terminate on the date on which all payments under the Debentures have been made in full or otherwise converted pursuant to the terms thereof and all other Obligations have been paid or discharged in full. Upon such termination, the Secured Parties, at the request and at the expense of the Borrower, will join in executing any termination statement and other filings with respect to any financing statement executed and filed pursuant to this Agreement or required for evidencing termination of the Security Interest or this Agreement.

11. Power of Attorney; Further Assurances. (a) The Borrower authorizes the Secured Parties, and does hereby make, constitute and appoint it, and its respective officers, agents, successors or assigns with full power of substitution, as the Borrower's true and lawful attorney-in-fact, with power, in its own name or in the name of the Borrower, to, after the occurrence and during the continuance of an Event of Default, (i) endorse any notes, checks, drafts, money orders, or other instruments of payment (including payments payable under or in respect of any policy of insurance) in respect of the Collateral that may come into possession of the Secured Parties; (ii) to sign and endorse any UCC financing statement or any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against Borrower, assignments, verifications and notices in connection with accounts, and other documents relating to the Collateral; (iii) to pay or discharge taxes, liens, security interests or other encumbrances at any time levied or placed on or threatened against the Collateral; (iv) to demand, collect, receipt for, compromise, settle and sue for monies due in respect of the Collateral; and (v) generally, to do, at the option of the Secured Parties, and at the Borrower's expense, at any time, or from time to time, all acts and things which the Secured Parties deem necessary to protect, preserve and realize upon the Collateral and the Security Interest granted therein, in order to effect the intent of this Agreement and the Debentures, all as fully and effectually as the Borrower might or could do; and the Borrower hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable for the term of this Agreement and thereafter as long as any of the Obligations shall be outstanding.

(b) On a continuing basis, the Borrower will make, execute, acknowledge, deliver, file and record, as the case may be, with the proper filing and recording places in any jurisdiction, including, without limitation, the jurisdictions indicated on Schedule A, attached hereto, all such instruments, including appropriate financing and continuation statements and

collateral agreements and filings with the United States Patent and Trademark Office, and take all such action as necessary to perfect the Security Interest granted hereunder and otherwise to carry out the intent and purposes of this Agreement, or for assuring and confirming to the Secured Parties the grant or perfection of a first priority security interest in all the Collateral, subject to Permitted Liens.

(c) The Borrower hereby irrevocably appoints the Secured Parties as the Borrower's attorney-in-fact, with full authority in the place and stead of the Borrower and in the name of the Borrower, from time to time in the Secured Parties' discretion, to file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral.

12. Agent.

(a) Actions The Agent shall at all times act upon and in accordance with written instructions received from a Two-Thirds-in-Interest (as defined in Section 15) time to time. The Agent shall be deemed to be authorized on behalf of each Secured Party to act on behalf of such Secured Party under this Agreement and, in the absence of written instructions from a Two-Thirds-in-Interest (with respect to which the Agent agrees that it will, subject to the last two sentences of this Section, comply, except as otherwise advised by counsel), to exercise such powers hereunder and thereunder as are specifically delegated to or required of the Agent by the terms hereof and thereof, together with such powers as may be reasonably incidental thereto. The Agent shall have no duty to ascertain or inquire as to the performance or observance of any of the terms of this Agreement by the Borrower. By accepting their Debentures each Secured Party shall be deemed to have agreed to indemnify the Agent (which agreement shall survive any termination of such Secured Party's percentage), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may at any time be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement and the Debentures, including the reimbursement of the Agent for all out-of-pocket expenses (including attorneys' fees) incurred by the Agent hereunder or in connection herewith or in enforcing the Obligations of the Borrower under this Agreement or the Debentures, in all cases as to which the Agent is not reimbursed by the Borrower; provided that no Secured Party shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements determined by a court of competent jurisdiction in a final proceeding to have resulted solely from the Agent's gross negligence or willful misconduct. The Agent shall not be required to take any action hereunder or under the Debentures, or to prosecute or defend any suit in respect of this Agreement or under the Debentures, unless the Agent is indemnified to its reasonable satisfaction by the Secured Parties against loss, costs, liability and expense. If any indemnity in favor of the Agent shall become impaired, it may call for additional indemnity and cease to do the acts indemnified against until such additional indemnity is given.

(b) Exculpation. Neither the Agent nor any of its directors, officers, partners, members, shareholders, employees or agents shall be liable to any Secured Party for any action taken or omitted to be taken by it under this Agreement or the Debentures, or in connection

herewith or therewith, except for its own willful misconduct or gross negligence or be responsible for the consequences of any error in judgment. Neither the Agent nor any of its directors, officers, partners, members, shareholders, employees or agents has any fiduciary relationship with any Secured Party by virtue of this Agreement. The Agent shall not be responsible to any Secured Party for any recitals, statements, representations or warranties herein or in any certificate or other document delivered in connection herewith or for the authorization, execution, effectiveness, genuineness, validity, enforceability, perfection, collectibility, or sufficiency this Agreement or the Debentures, the financial condition of the Borrower or the condition or value of any of the Collateral, or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement or the Debentures, the financial condition of the Borrower or the existence or possible existence of any default or event of default. The Agent shall be entitled to rely upon advice of counsel concerning legal matters and upon any notice, consent, certificate, statement or writing which it believes to be genuine and to have presented by a proper person.

(c) Obligations Held by the Agent. The Agent shall have the same rights and powers with respect to any Debentures held by it or any of its affiliates, as any Secured Party and may exercise the same as if it were not the Agent. Each of the Borrower and each Secured Party hereby waives, and each successor to any Secured Party shall be deemed to waive, any right to disqualify any Secured Party from serving as the Agent or any claim against that Secured Party for serving as Agent.

(d) Copies, etc. The Agent shall give prompt notice to each Secured Party of each notice or request required or permitted to be given to the Agent by the Borrower pursuant to the terms of this Agreement. The Agent will distribute to each Secured Party each instrument and other agreement received for its account and copies of all other communications received by the Agent from a Borrower for distribution to the Secured Party by the Agent in accordance with the terms of this Agreement. Notwithstanding anything herein contained to the contrary, all notices to and communications with the Borrower under this Agreement shall be effected by the Secured Party through the Agent.

(e) Resignation of Agent. The Agent may resign as such at any time upon at least thirty (30) days' prior notice to the Borrower and all the Secured Parties, such resignation not to be effective until a successor Agent is in place. If the Agent at any time shall resign, a Two-Thirds-in-Interest may jointly appoint another Secured Party as a successor Agent which shall thereupon become the Agent hereunder. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall be entitled to receive from the retiring Agent such documents of transfer and assignment as such successor Agent may reasonably request, and shall thereupon succeed to and become vested with all rights, powers, privileges, and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under this Agreement.

(f) Replacement of Agent. A Two-Thirds-in-Interest may at any time and for any reason replace the Agent with a successor Agent jointly selected by them, upon at least five (5) days written notice to the Borrower and the other Secured Parties. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall be

entitled to receive from the terminated Agent such documents of transfer and assignment as such successor Agent may reasonably request, and shall thereupon succeed to and become vested with all rights, powers, privileges, and duties of the retiring Agent, and the terminated Agent shall be discharged from its duties and obligations under this Agreement.

13. Conditions for Sale of Collateral by Borrower. The Borrower shall be entitled to sell all or a portion of the Collateral to an unaffiliated purchaser for a net purchase price which is equal to or greater than the fair market value of such Collateral (the "**Purchase Price**") if such purchaser shall deliver the Purchase Price (or portion thereof, if applicable) to each Secured Party (on a pro-rata basis) in payment of the Borrower Prepayment Price (as defined in the Debentures) for the prepayment in full, pursuant to Section 11 of the Debenture, of such portion of the outstanding principal amount of Debentures held by such Secured Party for which such Borrower Prepayment Price shall apply. Upon Secured Parties' unconditional receipt of the Purchase Price, the Secured Parties' liens in any item of Collateral that is subject of the foregoing sale shall automatically terminate and the Secured Parties shall cooperate with the Borrower in making all appropriate filings including UCC filings in order to evidence such termination. Notwithstanding anything herein to the contrary, if, as a result of a potential sale of Collateral pursuant to the immediately preceding sentence, there shall remain an outstanding principal amount of Debentures (including accrued interest thereon) then held by the Secured Parties, then such sale shall only be permitted if the Borrower shall deliver a Borrower Prepayment Notice (as defined in the Debentures) to such Secured Parties pursuant to which it shall pay to such Secured Parties (on a pro-rata basis) a Borrower Prepayment Price equal to no less than 50% of the Purchase Price.

14. Notices. All notices, requests, demands and other communications hereunder shall be in writing, with copies to all the other parties hereto, and shall be deemed to have been duly given when (i) if delivered by hand, upon receipt, (ii) if sent by facsimile, upon receipt of proof of sending thereof, (iii) if sent by nationally recognized overnight delivery service (receipt requested), the next business day or (iv) if mailed by first-class registered or certified mail, return receipt requested, postage prepaid, four days after posting in the U.S. mails, in each case if delivered to the following addresses:

If to the Borrower:

Aerogen, Inc.
2071 Stierlin Court
Mountain View, CA 94043
Facsimile No.: (650) 864-7433
Attn: Chief Financial Officer

With a copy to:

Cooley Godward LLP
Five Palo Alto Square
3000 El Camino Real

If to Secured Parties: To the address set forth under such Secured Parties' name on the signature pages hereto.

15. Other Security. To the extent that the Obligations are now or hereafter secured by property other than the Collateral or by the guarantee, endorsement or property of any other person, firm, corporation or other entity, then the Secured Parties shall have the right, in their sole discretion, to pursue, relinquish, subordinate, modify or take any other action with respect thereto, without in any way modifying or affecting any of the Secured Parties' rights and remedies hereunder.

16. Actions by Secured Parties. Any action required or permitted hereunder to be taken by or on behalf of the Secured Parties shall, for such action to be valid, require the approval of the Two-Thirds-in-Interest prior to the taking of such action. If the consent, approval or disapproval of the Secured Parties is required or permitted pursuant to this Agreement, such consent, approval or disapproval shall only be valid if given by the Two-Thirds-in-Interest. "Two-Thirds-in-Interest" means the Secured Party or Secured Parties (as the case may be) holding in excess of $\frac{2}{3}$ of the outstanding aggregate principal amount under the Debentures, determined on a cumulative basis.

17. Miscellaneous. (a) No course of dealing between the Borrower and the Secured Parties, nor any failure to exercise, nor any delay in exercising, on the part of the Secured Parties, any right, power or privilege hereunder, under the Debentures or under this Agreement 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.

(b) All of the rights and remedies of the Secured Parties with respect to the Collateral, whether established hereby, by the Debentures or by any other agreements, instruments or documents or by law shall be cumulative and may be exercised singly or concurrently.

(c) This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and is intended to supersede all prior negotiations, understandings and agreements with respect thereto. Except as specifically set forth in this Agreement, no provision of this Agreement may be modified or amended except by a written agreement signed by the parties hereto.

(d) In the event that any provision of this Agreement is held to be invalid, prohibited or unenforceable in any jurisdiction for any reason, unless such provision is narrowed by judicial construction, this Agreement shall, as to such jurisdiction, be construed as if such invalid, prohibited or unenforceable provision had been more narrowly drawn so as not to be invalid, prohibited or unenforceable. If, notwithstanding the foregoing, any provision of this

Agreement is held to be invalid, prohibited or unenforceable in any jurisdiction, such provision, as to such jurisdiction, shall be ineffective to the extent of such invalidity, prohibition or unenforceability without invalidating the remaining portion of such provision or the other provisions of this Agreement and without affecting the validity or enforceability of such provision or the other provisions of this Agreement in any other jurisdiction.

(e) No waiver of any breach or default or any right under this Agreement shall be considered valid unless in writing and signed by the party giving such waiver, and no such waiver shall be deemed a waiver of any subsequent breach or default or right, whether of the same or similar nature or otherwise.

(f) This Agreement shall be binding upon and inure to the benefit of each party hereto and its successors and assigns.

(g) Each party shall take such further action and execute and deliver such further documents as may be necessary or appropriate in order to carry out the provisions and purposes of this Agreement.

(h) This Agreement shall be construed in accordance with the laws of the State of New York, except to the extent the validity, perfection or enforcement of a security interest hereunder in respect of any particular Collateral which are governed by a jurisdiction other than the State of New York in which case such law shall govern. Each of the parties hereto irrevocably submits to the exclusive jurisdiction of any New York State or United States Federal court sitting in New York county over any action or proceeding arising out of or relating to this Agreement, and the parties hereto hereby irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in such New York State or Federal court. The parties hereto agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. The parties hereto further waive any objection to venue in the State of New York and any objection to an action or proceeding in the State of New York on the basis of forum non conveniens.

(i) EACH PARTY HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR EACH PARTY TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH PARTY HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT AND THAT EACH PARTY WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH PARTY FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY

AND VOLUNTARILY WAIVES ITS RIGHTS TO A JURY TRIAL FOLLOWING SUCH CONSULTATION. THIS WAIVER IS IRREVOCABLE, MEANING THAT, NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS AND SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT. IN THE EVENT OF A LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(j) This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

* * * * *

IN WITNESS WHEREOF, the parties hereto have caused this Intellectual Property Security Agreement to be duly executed on the day and year first above written.

SF CAPITAL PARTNERS, LTD.

By: 

Name: Brian H. Davidson

Title: Authorized Signatory

Address for Notice:


c/o Staro Asset Management, LLC
3600 South Lake Drive
St. Francis, Wisconsin 53235
Facsimile No.: (414) 294-7700
Attn.: Brian H. Davidson

With a copy to:

Bryan Cave LLP
1290 Avenue of the Americas
New York, NY 10104
Facsimile No.: (212) 541-4630 and (212) 541-1432
Attn: Eric L. Cohen, Esq.

IN WITNESS WHEREOF, the parties hereto have caused this Intellectual Property Security Agreement to be duly executed on the day and year first above written.

AEROGEN, INC.

By: 
Name: JANE E SHAW
Title: CEO

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EXHIBIT A
COPYRIGHTS

Description

Registration
Number

Registration
Date

NONE

EXHIBIT B

PATENTS

US PATENTS

Description	Registration Number	Registration Date
High frequency printing mechanism	5,164,740	11/17/1992
Apparatus and methods for the delivery of therapeutic liquids to the respiratory system	5,586,550	12/24/1996
Liquid dispensing apparatus and methods	5,758,637	06/02/1998
Methods and apparatus for dispensing liquids as an atomized spray	5,938,117	08/17/1999
Methods & Apparatus for Storing Chemical Compounds in Portable Inhaler	6,014,970	01/18/2000
Liquid dispensing apparatus and methods	6,085,740	07/11/2000
Methods & Apparatus for Storing Chemical Compounds in Portable Inhaler	6,205,999	03/27/2001
Method for the construction of an aperture plate for dispensing liquid droplets	6,235,177	05/22/2001
Improved methods and apparatus for aerosolizing a substance	6,427,682	08/06/2002
Liquid Dispensing Apparatus and Methods	6,467,476	10/22/2002
Inhaler for Dispensing Medications	D469,866	02/04/2003
Inhaler for Dispensing Medications	D471,273	03/04/2003
Methods & Apparatus for Dispensing Liquids as an Atomized Spray	6,540,153	04/01/2003
Systems & Methods for Controlling Fluid Feed to an Aerosol Generator	6,540,154	04/01/2003

Methods & Devices for Nebulizing Fluids	6,543,443	04/08/2003
Methods & Apparatus for Controlling Piezoelectric Vibrations	6,546,927	04/15/2003
Devices & Methods for Nebulizing Fluids Using Flow Directors	6,550,472	04/22/2003
Insert Molded Aerosol Generator and Methods	6,554,201	04/29/2003
Inhaler For Dispensing Medications	US D474,536 S	05/13/2003
Apparatus & Method for the Delivery of Medicaments to the Respiratory System	6,615,824	09/09/2003
Inhaler for Dispensing Medicine	D479,745	09/16/2003

<u>Description</u>	<u>Application No.</u>	<u>Application Date</u>
UltraSonic Fluid Ejector	07/72677	07/08/1991
UltraSound Fluid Ejector	08/859525	05/20/1997
Droplet Ejector with Oscillating Tapered Aperture	08/163,850	12/07/1993
Droplet Ejector with Oscillating Tapered Aperture	10/428,256	05/02/2003
Droplet Ejector with Oscillating Tapered Aperture	08/340828	11/16/1994
Systems and Methods for Controlling Fluid Feed to an Aerosol Generator	10/394,512	03/21/2003
Method and Apparatus for Dispensing Liquids as an atomized Spray	10/394,510	03/21/2003
Droplet Ejector with Oscillating Tapered Aperture	08/570,072	12/11/1995
Liquid Dispensing Apparatus and Methods	10/222,178	08/15/2002
Methods & Apparatus for Storing Chemical Compounds in a portable Inhaler	09/313,914	05/18/1999

Methods & Apparatus for Storing Chemical Compounds in a portable Inhaler	09/5511408	04/18/2000
Improved Methods and Application for Devices & Methods for Dispensing Medications Aerosolizing a Substance	10/201,341	07/22/2002
Apertuer Plate & Methods for its Construction And Use	60/346,789	01/07/2002
Methods and Apparatus for Controlling Piezoelectric Vibration	09/822573	03/30/2001
Inhalation Flow Sensor & Methods	10/388,204	03/12/2003
Piezoelectric Polymer Flow Sensor & Methods	09/705,063	11/02/2000
Insert Molded Aerosol Generator and Methods	10/005,454	11/02/2001
Methods and Devices for Nebulizing Fluids	10/388,188	03/12/2003
Inhalation Flow Sensors and Methods Utilizing Floatable Members	10/388,195	03/12/2003
Fluid Filled Ampoules and Methods for Their Use in Aerosolizers	60/393,001	06/28/2002
Cymbal-Shaped Actuator for a Nebulizing Element	09/848,104	05/02/2001
Metering Pumps for an Aerosolizer	09/848088	05/02/2001
Fluid filled Ampoules & Methods for their Use in Aerosolization	09/812,988	03/20/2001
Fluid filled Ampoules & Methods for their Use in Aerosolization	09/812,755	03/20/2001
Fluid filled Ampoules & Methods for their Use in Aerosolization	09/876,542	06/07/2001
Fluid filled Ampoules & Methods for their Use in Aerosolization	09/876,402	06/07/2001
Convertible Fluid Feed System with		

Comfortable Reservoir & Methods	09/812,987	03/20/2001
DEVICES AND METHODS FOR NEBULIZING FLUIDS USING FLOW DIRECTORS	10/388,208	03/12/2003
Laminated Electroformed Aperture Plate	09/970,335	10/02/2001
Apparatus & Method for the Delivery of Medicaments to the Respiratory System	09/849,194	05/04/2001
Apparatus & Methods for the Delivery of Medicaments to the Respiratory System	60/344,484	11/01/2001
INHALATION FLOW SENSORS & METHODS UTILIZING A MOVEABLE MEMBER	60/392,821	06/28/2003
Systems & Methods for clearing aerosols From the effective anatomic dead space	60/349,763	01/15/2002
SYSTEMS AND METHODS FOR CLEARING AEROSOLS FROM THE EFFECTIVE ANATOMIC DEAD SPACE	10/345,621	01/15/2003
Methods & Systems for Operating an aerosol Generator	60/349,805	01/15/2002
METHODS AND SYSTEMS FOR OPERATING AN AEROSOL GENERATOR	60/380,655	05/14/2002
METHODS AND SYSTEMS FOR OPERATING AN AEROSOL GENERATOR	60/408,743	09/05/2002
METHODS AND SYSTEMS FOR OPERATING AN AEROSOL GENERATOR	60/439,045	01/08/2003
METHODS AND SYSTEMS FOR OPERATING AN AEROSOL GENERATOR	10/345,875	01/15/2003
Inhaler for Dispensing Medications	29/153,496	01/07/2002
Devices and Methods for Nebulizing Fluids For Inhalation	60/403,454	08/13/2002
Devices and Methods for Nebulizing Fluids For Inhalation	10/338,194	01/07/2003

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APPARATUS AND METHODS FOR PROVIDING AEROSOL FOR MEDICAL TREATMENT

60/382,256 05/20/2002

Apparatus & Methods for Delivery of Medicament to a Respiratory System

60/344,484 11/01/2001

Apparatus & Methods for Delivery of Medicament to a Respiratory System

10/284,068 10/30/2002

Apparatus & Methods for Delivery of Medicament to a Respiratory System

60/381,830 05/20/2002

UNKNOWN COUNTRY PATENTS

APPARATUS AND METHODS FOR AEROSOLIZING LIQUIDS

60/458,919 03/28/2003

COMPUTATION MODELING OF DROPLET FORMATION ON VIBRATING ORFICE AEROSOL GENERATOR

60/409,651 09/02/2002

APPARATUS AND METHODS FOR AEROSOL TREATMENT AGAINST ORTHOPOX

60/421,335 10/25/2002

Apparatus and Methods for the Delivery of Medicaments to the Respiratory System

PCT/IE01/00060 05/04/2001

Inverted Cup Aspect

PCT/IE02/00154 10/31/2002

Apparatus and Methods for the Delivery of Medicaments to the Respiratory System

PCT/IE01/00051 05/05/2001

FOREIGN PATENTS

<u>Description/Country</u>	<u>Registration No.</u>	<u>Registration Date</u>
<i>Argentina</i> High frequency printing mechanism	247686	03/31/1995
<i>Mexico</i> High frequency printing mechanism	179906	10/25/1995
<i>France</i> High frequency printing mechanism	FR 0510648	07/16/1996
<i>Great Britain</i> High frequency printing mechanism	GB 0510648	07/16/1996
<i>European</i> High frequency printing mechanism	510648	08/14/1996
<i>Canada</i> High frequency printing mechanism	2066838	02/04/1997
Method for the Construction of an Aperture Plate for Dispensing Liquid Droplets	2384070	09/08/2000
Methods and Apparatus for Aerosolizing a Substance	2,396,917	01/09/2001
<i>Brazil</i> High frequency printing mechanism	PI 9201487-9	04/29/1997
<i>Australia</i> Liquid Dispensing Apparatus and Methods	711059	01/20/2000
<i>Ireland</i> Inhaler For Dispensing Medication	20028	04/02/2003
Inhaler For Dispensing Medication	20029	04/02/2003
<i>Great Britain</i> Inhaler for Dispensing Medications	3005000	07/03/2002
<i>Germany</i> High Frequency Printing mechanism	69212688	07/16/1996

Inhaler for Dispensing Medications <i>European</i>	402 05 656.6	08/21/2002
High Frequency Printing mechanism	510648	04/23/1996
<i>New Zealand</i>		
Methods & Apparatus for Storing Chemical Compounds in a portable Inhaler	502308	05/13/2002
<u>Description/Country</u>	<u>Application No.</u>	<u>Application Date</u>
<i>Australia</i>		
Methods & Apparatus for Storing Chemical Compounds in a portable Inhaler	45603/99	06/10/1999
METHODS AND APARATUS FOR AEROSOLIZING A SUBSTANCE	200122774	01/09/2001
Method for the Construction of an Aperture Plate for Dispensing Liquid Droplets	73667/00	09/08/2000
	55033/01	05/04/2001
<i>Japan</i>		
High Frequency Printing mechanism	4-129287	04/23/1992
Methods & Apparatus for Storing Chemical Compounds in a portable Inhaler	PI9906489-8	06/10/1999
Liquid dispensing apparatus and methods	9-510522	08/22/1996
METHODS AND APPARATUS FOR AEROSOLIZING SUBSTANCE	2001-551530	01/09/2001
Method for the Construction of an Aperture Plate For Dispensing Liquid Droplets	2001-521810	09/08/2000
Methods & Apparatus for Storing Chemical Compounds in a portable Inhaler	553019/2000	6/10/1999
	2001-581897	05/04/2001
<i>European</i>		
Methods & Apparatus for Dispensing Liquids as an Atomized Spray	96911579.9	04/30/1996
Liquid dispensing apparatus and methods	96931415.2	08/22/1996

Methods & Apparatus for Storing Chemical Compounds in a portable Inhaler	99928560.4	06/10/1999
METHODS AND APPARATUS FOR AEROSOLIZING SUBSTANCE	01901922.3	01/09/2001
Method for the Construction of an Aperture Plate For Dispensing Liquid Droplets	961753.1	09/08/2000
	.01928171.6	05/04/2001
<i>Brazil</i>		
Liquid dispensing apparatus and methods	PI9606617-2	08/22/1996
Methods & Apparatus for Storing Chemical Compounds in a portable Inhaler	PI9906489-8	06/10/1999
<i>Canada</i>		
Liquid dispensing apparatus and methods	2203926	08/22/1996
Methods & Apparatus for Storing Chemical Compounds in a portable Inhaler	2300975	06/10/1999
Methods & Apparatus for Storing Chemical Compounds in a portable Inhaler	99800811.3	06/10/1999
METHODS AND APPARATUS FOR AEROSOLIZING SUBSTANCE	2,396,917	01/09/2001
INHALER FOR DISPENSING MEDICATION	99965	07/04/2002
	2,409,722	05/04/2001
<i>India</i>		
Methods & Apparatus for Storing Chemical Compounds in a portable Inhaler	2000/00003 CHE	06/10/1999
<i>Mexico</i>		
Methods & Apparatus for Storing Chemical Compounds in a portable Inhaler	1489	06/10/1999
METHODS AND APPARATUS FOR AEROSOLIZING SUBSTANCE	PA/a/2002/006895	01/09/2001
Method for the Construction of an Aperture Plate For Dispensing Liquid Droplets	PA/a2002/001896	09/08/2000

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	2002/010884	05/04/2001
<i>Russia</i>		
Methods & Apparatus for Storing Chemical Compounds in a portable Inhaler	2000106040	06/10/1999
<i>New Zealand</i>		
Improved Methods & Apparatus for Storing Chemical Compounds in a portable inhaler	515778	06/10/1999
<i>France</i>		
INHALER FOR DISPENSING MEDICINE	02 4118	07/05/2002
<i>Ireland</i>		
	2002/0852	10/31/2002
Inverted Medication Cup System	2001/09062	11/1/2001
	2002/0407	05/21/2001
<i>PCT Applications</i>		
UltraSonic Fluid Ejector	92/05275	06/18/1992
Systems & Methods for Controlling Fluid Feed to an Aerosol Generator	PCT/USO1/30847	09/29/2001
Liquid dispensing apparatus and methods	96/13770	08/22/1996
Methods & Apparatus for Storing Chemical Compounds in a portable inhaler	99/13148	06/10/1999
Methods & Apparatus for Aerosolizing a Substrate	01/00728	01/09/2001
Method for the Construction of an Aperture Plate for Dispensing Liquid Droplets	PCT/US00/24829	09/08/2000
Methods and Application for Controlling Piezoelectric Vibration	PCT/US02/07471	03/08/2002
Piezoelectric Polymer Flow Sensor & Methods	PCT/US01/47564	11/02/2001
Piezoelectric Polymer Flow Sensor & Methods	PCT/US02/14037	05/01/2002

Methods & Devices for Nebulizing fluids	01/206666	06/27/2001
Base Isolated Nebulizing Device And Methods	PCT/US02/14208	05/01/2002
Cymbal-Shaped Actuator For a Nebulizing Element	PCT/US02/14036	05/01/2002
METERING PUMPS FOR AN AEROSOLIZER	PCT/US02/08378	03/19/2002
FLUID FILLED AMPOULES AND METHODS FOR THEIR USE IN AEROSOLIZERS	PCT/US08/08380	03/19/2002
CONVERTIBLE FLUID FEED SYSTEM WITH CONFORMABLE RESERVOIR AND METHODS	PCT/US02/08379	03/19/2002
DEVICES AND METHODS FOR NEBULIZING FLUIDS USING FLOW DIRECTORS	PCT/US02/07924	03/14/2002
LAMINATED ELECTROFORMED APERTURE PLATE	PCT/US02/31083	09/30/2002
SYSTEMS AND METHODS FOR CLEARING AEROSOLS FROM THE EFFECTIVE ANATOMIC DEAD SPACE	PCT/US03/01515	01/15/2003
METHODS AND SYSTEMS FOR OPERATING AN AEROSOL GENERATOR	PCT/US03/01516	01/15/2003
DEVICES AND METHODS FOR NEBULIZING FLUIDS FOR INHALATION	PCT/US03/00504	01/17/2003
PIEZOELECTRIC POLYMER FLOW SENSOR AND METHODS	PCT/US/01/14564	11/02/2001
FLUID FILLED AMPOULES AND METHODS FOR THEIR USE IN AEROSOLIZERS	PCT/US02/08380	03/19/2002

EXHIBIT C



TRADEMARKS



UNITED STATES




MARK	APPLICATION/ REGISTRATION NO.	GOODS/SERVICES	DATE
	Registration No. 2,451,182	Class 10: Electronic devices used to introduce medication into the respiratory system by mouth	Registered 5/15/01
AEROGEN	Registration No. 2,459,921	Class 10: Electronic device used to introduce medication into the respiratory system	Registered 6/12/01
	Registration No. 2,636,980	Class 10: Electronic devices used to introduce medication into the respiratory system by mouth, namely inhalers and nebulisers	Registered 10/15/02
AERODOSE	Registration No. 2,478,278	Class 10: Liquid inhaler for use in treating pulmonary and respiratory diseases	Registered 8/14/01
AERONEB	Registration No. 2,517,653	Class 10: Aerosol nebulizers for use in treating respiratory diseases	Registered 12/11/01
AEROLIN	Application No. 78/163,549	Class 10: Containers and container assemblies for holding insulin for use with and within inhalation devices	Filed 9/12/02
AERODOME	Application No. 78/069,452	Class 10: Aerosol generators and dispensers for medical use	Filed 6/15/01
ELECTRONIC MICRO-PUMP	Application No. 78/140,345	Class 10: Inhalers and nebulizers for administering medication by inhalation, and components therefor, namely aerosol generators and components therefor	Filed 7/1/02
GO	Application No. 78/233,271	Class 10: Nebulizers for respiration therapy	Filed 4/2/03



MARK	APPLICATION/ REGISTRATION NO.	GOODS/SERVICES	DATE
ON-Q	Application No. 78/181,065	Class 10: Devices for creating aerosol preparations for inhalation, namely nebulizers, inhalers and aerosol generators and associated components therefor	Filed 11/1/02
PULMOLIN	Application No. 78/072,295	Class 5: Insulin	Filed 7/3/01

FOREIGN TRADEMARKS

AEROGEN Australia	Registration No. 817053	Class 10: Medical apparatus and instruments including electronic devices used to introduce medication to the respiratory system by mouth	Registered 12/14/99 Grant date: 6/24/03
AERODOSE Australia	Registration No. 817047	Class 10: Medical apparatus and instruments for use in treating pulmonary and respiratory diseases	Registered 12/14/99 Grant date: 1/8/01
AERONEB Australia	Registration No. 817022	Class 10: Medical apparatus and instruments for use in treating pulmonary and respiratory diseases	Registered 12/14/99 Grant date: 1/8/01
 Australia	Registration No. 890181	Class 10: Electronic devices used to introduce medication into the respiratory system by mouth, namely inhalers and nebulisers	Registered 9/24/01 (claiming 3/28/01 U.S. priority date) Grant date: 2/21/02
AEROGEN Brazil	Application No. 824.092.554	Class 10: Electronic devices used to introduce medication into the respiratory system by mouth, namely inhalers and nebulisers	Filed 9/27/01
 Brazil	Application No. 824.092.546	Class 10: Electronic devices used to introduce medication into the respiratory system by mouth, namely inhalers and nebulisers	Filed 9/27/01
AEROGEN Canada	Application No. 1039433	Class 10: Electronic device used to introduce medication into the respiratory system by mouth	Filed 12/13/99

AERODOSE Canada	Application No. 1039434	Class 10: Liquid inhaler for use in treating pulmonary and respiratory diseases	Filed 12/13/99
AERONEB Canada	Application No. 1039435	Class 10: Aerosol nebulizers for use in respiratory diseases	Filed 12/13/99
AEROSPIRE Canada	Application No. 111229500	Class 10: nebulizers and parts therefore for application of respiratory and systemic medication; inhalers and parts therefore for application of respiratory and systemic medication	Filed 8/9/01
 Canada	Application No. 111695200	Class 10: Electronic devices used to introduce medication into the respiratory system by mouth, namely inhalers and nebulizers	Filed 9/27/01
AEROGEN China	Registration No. 1998507	Class 10: electronic devices used to introduce medication into the respiratory system by mouth, namely, inhalers, nebulisers for medical purposes	Registered 12/14/02
 China	Registration No. 2016913	Class 10: electronic devices used to introduce medication into the respiratory system by mouth, namely, inhalers, nebulisers for medical purposes	Registered 12/14/02 (claiming 3/28/01 U.S. priority date)
AEROGEN CTM	Application No. 1420413	Class 10: Electronic device used to introduce medication into the respiratory system by mouth	Filed 12/13/99; Published 11/27/00 for 3 mos.; Opposition filed by Glaxo Group (based on AEROLIN)
AERODOSE CTM	Registration No. 1420124	Class 10: Liquid inhaler for use in treating pulmonary and respiratory diseases	Registered 12/13/99; Grant date: 2/14/01
AERONEB CTM	Registration No. 1420272	Class 10: Aerosol nebulizers for use in respiratory diseases	Registered 12/13/99; Grant date: 3/19/01

AEROSPIRE CTM	Application No. 2334894	Class 10: Apparatus, instruments and devices (including electronic and aerosol devices) for administering medication; nebulisers; liquid inhalers; parts and fittings for the aforesaid goods	Filed 8/9/01 (claiming 2/9/01 U.S. priority date); Registration fee paid 7/7/03
 ECTM	Registration No. 2381986	Class 10: Apparatus, instruments and devices (including electronic and aerosol devices) for administering medication; electronic devices used to introduce medication into the respiratory system by mouth, namely inhalers and nebulisers; parts and fittings for the aforesaid goods	Registered 9/19/01 (claiming 3/28/01 U.S. priority date); Grant date: 6/4/03
AEROGEN Israel	Registration No. 133176	Class 10: Medical apparatus and instruments including electronic devices used to introduce medication into the respiratory system by mouth	Registered 12/16/99; Grant date: 2/5/01
AERODOSE Israel	Registration No. 133177	Class 10: Medical apparatus and instruments for use in treating pulmonary and respiratory diseases	Registered 12/16/99; Grant date: 2/5/01
AERONEB Israel	Registration No. 133178	Class 10: Medical apparatus and instruments for use in treating pulmonary and respiratory diseases	Registered 12/16/99; Grant date: 2/5/01
 Israel	Registration No. 152394	Class 10: Electronic devices used to introduce medication into the respiratory system by mouth, namely inhalers and nebulisers	Registered 9/30/01 (claiming 3/28/01 U.S. priority date) Grant date: 11/4/02
AEROGEN Japan	Registration No. 4609382	Class 10: Medical apparatus/instruments	Registered 10/4/02
 Japan	Registration No. 4567489	Class 10: Medical apparatus/instruments	Registered 5/10/02 (claiming 3/28/01 U.S. priority date)

AEROGEN Korea	Registration No. 0543693	Class 10: Electronic devices used to introduce medication into the respiratory system by mouth, namely inhalers and nebulisers	Registered 3/21/03
 Korea	Application No. 0543694	Class 10: Electronic devices used to introduce medication into the respiratory system by mouth, namely inhalers and nebulisers	Registered 3/21/03 (claiming 3/28/01 U.S. priority date)
AEROGEN Mexico	Registration No. 510,983	Class 10: Electronic devices used to introduce medication into the respiratory system by mouth, namely inhalers and nebulisers; and in general surgical, medical, dental and veterinarian apparatus and instruments; artificial limbs, eyes and teeth; orthopedic articles; suture material	Registered 10/9/01; Grant date: 2/28/02
 Mexico	Registration No. 742,381	Class 10: Electronic devices used to introduce medication into the respiratory system by mouth, namely inhalers and nebulisers	Registered 9/28/01 (claiming 3/28/01 U.S. priority date); Grant date: 4/9/02
AERODOSE Switzerland	Registration No. 473.333	Class 10: Liquid inhaler for use in treating pulmonary and respiratory diseases	Registered 12/15/99
AERONEB Switzerland	Registration No. 473.334	Class 10: Aerosol nebulizers for use in respiratory diseases	Registered 12/15/99
AEROGEN Switzerland	Registration No. 473.332	Class 10: Electronic device used to introduce medication into the respiratory system by mouth	Registered 12/15/99
AEROGEN United Kingdom	Registration No. 2125416	International Class 10: Apparatus, instruments and devices for administering medication, nebulizers, liquid inhalers; none of the aforesaid goods relating to gas producing bacteria	Registered 3/4/97; (claiming priority date of 1/2/97)

SCHEDULE A

Jurisdictions:

Delaware

Location of Collateral/Records:

Aerogen, Inc.
2071 Stierlin Court
Mountain View, CA 94043

Aerogen, Ireland Ltd.
Galway Business Park
Dangan, Galway, Ireland

Existing Liens:

1. UCC-1 filed by Silicon Valley Bank ("SVB") on January 27, 2003, describing "Collateral" as Borrower's Certificate of Deposit number 8800058121 maintained by the Borrower with SVB to secure the Letter of Credit for \$1,200,000 issued by SVB in favor of the Borrower's landlord;
2. UCC-1 filed by Caltronics Business Systems on August 24, 1998, describing "Collateral" as One Konica copier; and
3. UCC-1 filed by Venture Lending & Leasing on November 3, 1997 and subsequently assigned to Fleet Bank, N.A. describing "Collateral" as specific items of personal property and equipment described on Exhibit A attached thereto. Since the underlying lease agreement has been terminated, the Borrower is working on getting the UCC-1 terminated.

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SCHEDULE B

List of Equipment and other personal property to be transferred to MIA.

EQUIPMENT LIST

TOOL NAME	LOCATION	S/N or A/N
Nikon Microscope	Core Manufacturing	442
Bar Code Printer, Zebra 96XiIII	Core Manufacturing	447
Computer for Bar Code Printer	Core Manufacturing	-
Wire Stripper, Eubanks 4900	Core Manufacturing	679
Hyprez Lapping System	Core Manufacturing	714LM15
RA-200 Wafer Densitometer	Core Manufacturing	
GB-200 AP Punch	Core Manufacturing	
Doming system, ADK-100	Core Manufacturing	5134
Doming system, ADK-100	Core Manufacturing	5133
Nikon Microscope	Core Manufacturing	6
Laser, Rofin Sinar RSM 75Q	Core Manufacturing	457
Chiller, Affinity	Core Manufacturing	32990
Hot plate	Core Manufacturing	445
VWR Curing oven	Core Manufacturing	232
VWR Curing oven	Core Manufacturing	324
Network analyzer E5100A	Core Manufacturing	250
DC Power supply E3612A	Core Manufacturing	386
DC Power supply E3612A	Core Manufacturing	239
Printer HP Laser Jet 1100	Core Manufacturing	
VMD	Core Manufacturing	320
VMD Pump	Core Manufacturing	
SVG Coater Developer	AP Clean Room	597
Tera Universal Dry box	AP Clean Room	50477
VWR Dry oven	AP Clean Room	120
Irvine Optical Microscope	AP Clean Room	50396
Dektak IIA	AP Clean Room	50292
Drop gauge workstation	AP Clean Room	520
Fume Hood, Labconco Basic 70	AP Clean Room	174
Solvent Bench	AP Clean Room	650
Instron Hardness Tester	AP Clean Room	243
XRF	AP Clean Room	352
Gretag Densitometer workstation	AP Clean Room	408
Blue M Oven	AP Clean Room	531
Nickel Strike	AP Clean Room	
Technic Plate bench	AP Clean Room	577-001
Acid bench	AP Clean Room	599
Smart Scope	AP Clean Room	383
Smart Scope workstation	AP Clean Room	
JBA Exposure system	AP Clean Room	50366
Perkin Elmer Analyst 100	QC Laboratory	323
Alliance HPLC 2690/2487	QC Laboratory	189

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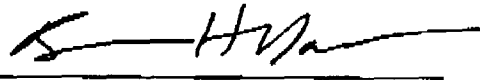
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
ASSIGNMENT BRANCH**

APPOINTMENT OF DOMESTIC REPRESENTATIVE

Bryan Cave LLP, whose postal address is 1290 Avenue of the Americas, New York, NY 10104, is hereby designated SF Capital Partners, Ltd.'s representative upon whom notice or process in proceedings affecting the trademarks and patents listed on the attached schedules may be served.

9/18/03
Date



Brian H. Davidson
Authorized Signatory
SF Capital Partners, Ltd.

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