

# TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT								
NATURE OF CONVEYANCE:	SECURITY INTEREST								
<b>CONVEYING PARTY DATA</b>									
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 30%;">Name</th> <th style="width: 30%;">Formerly</th> <th style="width: 20%;">Execution Date</th> <th style="width: 20%;">Entity Type</th> </tr> <tr> <td>Genetic Immunity, LLP</td> <td></td> <td>08/29/2007</td> <td>CORPORATION: DELAWARE</td> </tr> </table>	Name	Formerly	Execution Date	Entity Type	Genetic Immunity, LLP		08/29/2007	CORPORATION: DELAWARE	
Name	Formerly	Execution Date	Entity Type						
Genetic Immunity, LLP		08/29/2007	CORPORATION: DELAWARE						
<b>RECEIVING PARTY DATA</b>									
Name:	Trident Growth Fund, LP								
Street Address:	700 Gemini								
Internal Address:	Ste. 100								
City:	Houston								
State/Country:	TEXAS								
Postal Code:	77058								
Entity Type:	LIMITED PARTNERSHIP: DELAWARE								
Name:	Will Wilson								
Street Address:	1717 St. James Place, Ste. 400								
City:	Houston								
State/Country:	TEXAS								
Postal Code:	77056								
Entity Type:	INDIVIDUAL:								
Name:	Pronto Investments, Ltd.								
Street Address:	1717 St. James Place, Ste 400								
City:	Houston								
State/Country:	TEXAS								
Postal Code:	77056								
Entity Type:	COMPANY:								
Name:	Steve Walton								
Street Address:	124 East Fourth St.								
Internal Address:	Old City Hall								
City:	Tulsa								

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**TRADEMARK**  
**REEL: 003613 FRAME: 0067**

State/Country:	OKLAHOMA
Postal Code:	74103
Entity Type:	INDIVIDUAL:

Name:	Danny Vela
Street Address:	1655 N. 23rd St.
City:	McAllen
State/Country:	TEXAS
Postal Code:	78501
Entity Type:	INDIVIDUAL:

Name:	Ford Sasser
Street Address:	1655 N. 23rd St.
City:	McAllen
State/Country:	TEXAS
Postal Code:	78501
Entity Type:	INDIVIDUAL:

Name:	Andy Browder
Street Address:	200 South 10th, Ste. 708
City:	McAllen
State/Country:	TEXAS
Postal Code:	78501
Entity Type:	INDIVIDUAL:

Name:	Hilton Wilson
Street Address:	200 South 10th, Ste. 708
City:	McAllen
State/Country:	TEXAS
Postal Code:	78501
Entity Type:	INDIVIDUAL:

Name:	Rodman & Renshaw, LLC
Street Address:	1270 Avenue of the Americas
Internal Address:	16th Floor
City:	New York
State/Country:	NEW YORK
Postal Code:	10020
Entity Type:	PARTNERSHIP:

Property Type	Number	Word Mark
Registration Number:	2657301	GENETIC IMMUNITY

# **CORRESPONDENCE DATA**

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*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
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 Correspondent Name: Marilyn M Huston  
 Address Line 1: 20333 Sh 249, Ste. 600  
 Address Line 2: Wong Cabello  
 Address Line 4: Houston, TEXAS 77070

ATTORNEY DOCKET NUMBER:	712-0013
NAME OF SUBMITTER:	Marilyn M Huston
Signature:	//mmhu//
Date:	08/31/2007

# **Total Attachments: 21**

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## SECURITY AGREEMENT

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This SECURITY AGREEMENT ("*Security Agreement*") is made this 29<sup>th</sup> day of August, 2007, by GENETIC IMMUNITY, LLC, a Delaware limited liability company, having a principal place of business at 8300 Greensboro Drive, Suite 800, McLean, Virginia 22102 ("*Debtor*"), in favor of TRIDENT GROWTH FUND, L.P., a Delaware limited partnership, having a principal place of business at 700 Gemini, Suite 100, Houston, TX 77058 ("*Trident*" or "*Agent*"), as agent for those parties identified on Schedule A hereto (the "*Investors*"), and Trident (Trident and Investors being, collectively, the "*Secured Parties*"), pursuant to the Securities Purchase Agreement between Debtor and Agent of even date herewith and the Securities Purchase Agreement between Debtor and Investors of even date herewith, and the Warrants and Debentures issued pursuant to such Securities Purchase Agreements (collectively, the "*Transaction Documents*").

### RECITALS

WHEREAS, Debtor warrants that it is the owner of certain assets, including the Collateral and Intellectual Property (as defined hereinbelow), and has the power to transfer its rights in such assets to Secured Parties;

WHEREAS, in order to induce the Secured Parties to extend the loans evidenced by the Debentures and other Transaction Documents, Debtor has agreed to execute and deliver to Secured Parties this Security Agreement and to thereby grant to Secured Parties a perfected first priority security interest in all of Debtor's Assets, as further described herein, including all right, title and interest of the Debtor in, to and under all now owned and hereafter acquired Collateral as described herein and all proceeds thereof, as security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of its obligations to Secured Parties;

WHEREAS, Debtor and Secured Parties by this instrument seek to confirm and make a record of the grant of the present security interest in Debtor's Assets, including the Collateral and Intellectual Property described herein, and Debtor has agreed to execute and deliver to the Secured Parties such further instruments and documents as the Secured Parties may reasonably request in order to obtain and preserve the full benefits of the Transaction Documents;

NOW, THEREFORE, in consideration of the agreements herein contained and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Debtor, Agent and Secured Parties hereby agree as follows:

A. **Certain Definitions.** As used in this Agreement, the following terms shall have the meanings set forth in this Section A. Terms used but not otherwise defined in this Agreement that are defined in Article 9 of the Texas Uniform Commercial Code (the "*UCC*") shall have the respective meanings given such terms in Article 9 of the UCC, and capitalized terms not otherwise defined herein shall have the meaning given them in the Transaction Documents.

1) **"Debtor's Assets"** means all of Debtor's right, title and interest in Collateral as herein defined, including without limitation Debtor's right title and interest in Intellectual Property as herein defined.

2) **"Collateral"** means, as such terms are defined in Section 9.102 of the UCC: all "collateral," "accounts," "chattel paper" (including, but not limited to tangible and electronic chattel paper), "commercial tort claims," "commodity contracts," "commodity accounts," "deposit accounts," "documents," "equipment," "farm products," "fixtures," "general intangibles" (including "payment intangibles" and "software"), "goods," "health care insurance receivables," "instruments," "inventory," "investment property," "letter of credit rights," "mortgages," and "records" of the Debtor, whether presently owned or existing or hereafter acquired or coming into existence, and all additions and accessions thereto and all substitutions and replacements thereof, and all "proceeds" (cash or noncash) (as defined in Article 9 of the UCC) thereof, including, without limitation, all proceeds from the sale or transfer of the Collateral and of insurance covering the same. Without in any way limiting the generality of the foregoing, if not already included in the Collateral described above, the term "Collateral" shall also include all Intellectual Property as herein defined, and shall further include, as defined in plain English: all machinery, equipment, computers, computer programs, motor vehicles, trucks, tanks, appliances, furniture, special and general tools, fixtures, test and quality control devices and other equipment of every kind and nature and wherever situated, contract rights, partnership interests, stock or other securities, licenses, distribution and other agreements, computer software (whether "off-the-shelf", licensed from any third party or developed by Debtor), computer software development rights, leases, franchises, customer lists, quality control procedures, grants and rights, deposits and investment accounts and income tax refunds, insurance proceeds, and rights to refunds or indemnification whatsoever owing, together with all instruments, all documents of title representing any of the foregoing, all rights in any merchandising, goods, equipment, motor vehicles and trucks which any of the same may represent, and all right, title, security and guaranties with respect to same, including any right of stoppage in transit, business papers together with all documents of title and documents representing the same, all additions and accessions thereto, replacements therefor, all parts therefor, and all substitutes for any of the foregoing and all other items used and useful in connection with the Debtor's businesses and all improvements thereto.

3) **"Intellectual Property"** means any or all of the following and all rights and goodwill, arising out of or associated therewith: (A) all United States, international, and foreign patents and applications therefor (including provisional applications) and all reissues, reexaminations, divisions, renewals, extensions, provisionals, continuations and continuations-in-part thereof; (B) all inventions (whether patentable or not), invention disclosures, improvements, trade secrets, proprietary information, know-how, technology, technical data and customer lists, and all documentation relating to any of the foregoing throughout the world; (C) all international, U.S. and foreign registered trademarks, trade names, service marks, logos, slogans, and designs, applications to register trademarks, trade names, service marks, logos, slogans, and designs, intent-to-use applications, or other registrations or applications related to trademarks, service marks,

common law trademarks, trade names, service marks, logos, slogans, and designs and all associated goodwill associated with all of the foregoing; (D) all copyrights, copyright registrations and applications therefor, and all other rights corresponding thereto throughout the world; (E) all industrial designs and any registrations and applications therefor throughout the world; (F) all URL's, domain names, trade names, logos, slogans, designs, common law trademarks and service marks, trademark and service mark registrations and applications therefor throughout the world; (G) all databases and data collections and all rights therein throughout the world; (H) all moral and economic rights of authors and inventors, however denominated, throughout the world; (I) any other intellectual property that is the subject of an application, certificate, filing, registration or other document issued, filed with, or recorded with any federal, state, local or foreign government or other public body; and (J) any similar or equivalent rights to any of the foregoing anywhere in the world.

4) **"Obligations"** means all of the Debtor's obligations under the Transaction Documents, 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, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from the Secured Parties as a preference, fraudulent transfer or otherwise as such obligations may be amended, supplemented, converted, extended or modified from time to time.

**B. Grant of Security Interest.** As an inducement for Secured Parties to extend the loan as described by the Transaction Documents and to secure the complete and timely payment, performance and discharge in full, as the case may be, of all of the Obligations under the Transaction Documents, Debtor hereby unconditionally and irrevocably grants to Agent, on behalf of Secured Parties, a valid first priority security interest (the **"Security Interest"**) in and to, a lien upon, and a right of set-off against all of their respective right, title and interest of whatsoever kind and nature in and to, all of Debtor's Assets, including any Collateral as described in Section A. 2) and 3) herein, including, without limitation, the following Intellectual Property, which first priority security interest, shall, upon the relevant filings; and with the assistance of Debtor, promised hereby, mature into a perfected first priority security interest in such Debtor's Assets:

1) all letters patent assigned or licensed to Debtor, including, without limitation, utility patents, design patents, industrial designs and utility model registrations, in the United States or any other country, or any political subdivision thereof and all reissues and extensions thereof, including, without limitation, those listed in Schedule B attached hereto, (b) all applications for letters patent assigned to Debtor in the United States or any other country and all divisionals, continuations and continuations-in-part thereof, including without limitation, those listed in Schedule B attached hereto, as well as any patents that issue from the applications, (c) all rights of Debtor to obtain any reissues, reexaminations, or extensions thereof, (d) all applications for patents and invention

disclosures which are subject to an obligation to assign to Debtor, and (e) any goodwill associated with the foregoing (collectively, the "*Patents*");

2) all other patents and patent applications assigned or licensed to Debtor that relate to delivery of vaccines (including those presently pursued by Debtor under the tradename DermaVir), whether existing at the time of this Security Agreement or after developed or after acquired by Debtor or any of its Affiliates, including without limitation Genetic Immunity Kft (collectively, the "*Other Collateralized Intellectual Property*");

3) all trademarks and trademark registrations, including service marks and tradenames, owned or applied for by Debtor, including without limitation, those listed in Schedule B attached hereto, and any and all goodwill associated with said trademarks, including without limitation those Collateral assets set forth in the Transaction Documents (collectively, the "*Trademarks*");

4) all agreements, whether written or oral, providing for the grant by or to Debtor of any right to make, use, sell, offer to sell, or import any invention covered in whole or in part by any patent or patent application that is licensed to Debtor ("*Licensed Patents*"), including without limitation, those listed in Schedule B attached hereto, and all renewals and extensions thereof (collectively, the "*Patent Licenses*");

5) all products, royalties and proceeds of or received in connection with the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing; and

6) all claims and rights to sue at law or in equity for past, present or future infringement, dilution or other impairment of any Patent or Patent License, including the right to receive all proceeds and damages from the foregoing.

**C. Authorization and Request.** Debtor authorizes and requests that the United States Commissioner for Patents and the United States Commissioner for Trademarks, as well as any relevant domestic state or federal governmental agency, foreign governmental agency or foreign Patent or Trademark Authority, record this Security Agreement. Debtor agrees to execute all further documents that are necessary to effect recordal of this Security Agreement and further agrees to promptly execute all further documents that are necessary to effect perfection of the interest conveyed under this Security Agreement.

**D. Representations, Warranties, Covenants and Agreements of Debtor.** Debtor represents, warrants, covenants and agrees as follows:

1) Debtor has the requisite corporate power and authority to enter into this Security Agreement and otherwise to carry out its obligations hereunder. The execution, delivery and performance by Debtor to this Security Agreement and the filings contemplated therein have been duly authorized by all necessary principals of Debtor and no further action is required by Debtor to perfect Secured Parties' full rights in this Security Agreement.

2) The execution, delivery and performance of this Security Agreement by Debtor does not conflict with or result in a breach of any agreement to which Debtor is party or by which Debtor is bound or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing Debtor's debt or otherwise) or other understanding to which Debtor is a party or by which any property or asset of Debtor is bound or affected. No consent (including, without limitation, from members or creditors of Debtor) is required for Debtor to enter into and perform its obligations hereunder. To the extent that any intellectual property agreements to which Debtor is or becomes a party prohibit the assignment of the rights thereunder to a third party without the licensor's or other party's consent, Debtor agrees to assist Agent in gaining consent to assignment or transfer of Debtor's interest in any and all agreements in order to carry out its obligations hereunder.

3) The Debtor is the sole owner of the Collateral, free and clear of any Liens, 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, license or transfer or any notice of any of the foregoing (other than those that will be filed pursuant to this Security Agreement) covering or affecting any of the Collateral. So long as this Security Agreement shall be in effect, Debtor shall not execute and shall not knowingly permit to be on file in any such office or agency any such financing statement or other document or instrument (except to the extent filed or recorded pursuant to the terms of this Security Agreement).

4) No part of the Collateral has been judged invalid or unenforceable. No written claim has been received that any Collateral or Debtor's use of any Collateral violates the rights of any third party. There has been no adverse decision to Debtor's claim of ownership rights in or exclusive rights to use the Collateral in any jurisdiction or to Debtor's right to keep and maintain such Collateral in full force and effect, and there is no Proceeding involving said rights pending or, to the best knowledge of the Debtor, threatened before any court, judicial body, administrative or regulatory agency, arbitrator or other governmental authority.

5) During the term of this Security Agreement, Debtor shall at all times maintain the liens and Security Interest provided for hereunder as valid and perfected first priority liens and security interests in Debtor's Assets in favor of Secured Parties until this Agreement and the Security Interest hereunder shall be terminated pursuant to Section T hereof. Debtor hereby agrees to defend the same against any and all persons. Debtor shall safeguard and protect all of Debtor's Assets for the account of the Secured Parties.

6) At the request of Agent, the Debtor 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 Agent and will pay the cost of filing the same in all public offices wherever filing is, or is deemed by the Agent to be, necessary or desirable to effect the rights and obligations provided for herein. Without limiting the generality of



the foregoing, the Debtor shall pay all fees, taxes and other amounts necessary to maintain the Collateral and the Security Interest hereunder, and the Debtor shall obtain and furnish to the Agent 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.

7) Debtor shall promptly execute and deliver to Agent such further deeds, mortgages, assignments, security agreements, financing statements or other instruments, documents, certificates and assurances and take such further action as Agent may from time to time request and may in its sole discretion deem necessary to perfect, protect or enforce Secured Parties' security interest in the Intellectual Property.

8) Debtor shall permit the Agent to inspect the Collateral at any time, provided that such Secured Party does not unreasonably interfere with the daily operations of the Debtor, and to make copies of records pertaining to the Collateral as may be requested by from time to time.

9) Debtor shall take all steps 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.

10) The Debtor shall promptly notify 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 Debtor that may materially affect the value of the Collateral, the Security Interest or the rights and remedies of the Secured Parties hereunder.

11) During the term of this Security Agreement, Debtor will not transfer, pledge, hypothecate, encumber, license, sell or otherwise dispose of any interest in any of Debtor's Assets, including but not limited to the Intellectual Property, without obtaining the written consent of Agent.

12) To Debtor's knowledge, each of the Patents listed on Schedule B is valid and enforceable, and no part of the Patents has been judged invalid or unenforceable, in whole or in part, and no claim has been received asserting that Debtor's practice of any claim of the Intellectual Property violates the rights of any third party. There has been no decision adverse to Debtor's claim of ownership rights in, or exclusive rights to use, the subject matter of the Intellectual Property in any jurisdiction or to Debtor's right to keep and maintain such Intellectual Property in full force and effect, and there is no proceeding involving said rights pending or, to the best knowledge of Debtor, threatened before any court, judicial body, administrative or regulatory agency, arbitrator or other governmental authority.

13) Debtor shall within ten (10) days of obtaining knowledge thereof, advise Agent of any material change in the composition of the Intellectual Property, including but not limited to any subsequent ownership right of Debtor in any Intellectual Property specified

in this Security Agreement, or in the Collateral, or the occurrence of any event which would have a Material Adverse Effect on the value of the Collateral or on a Secured Party's interest therein.

14) Debtor shall (a) protect, defend and maintain the validity and enforceability of the Intellectual Property, (b) use its best efforts to detect infringements of the Intellectual Property and promptly advise Secured Parties in writing of any material infringements detected, and (c) not allow any Intellectual Property to be abandoned, forfeited or dedicated to the public without the written consent of Agent, which shall not be unreasonably withheld.

15) Debtor shall record or register or cause to be recorded or registered (to the extent not already recorded or registered) with the United States Patent and Trademark Office or the corresponding relevant foreign Patent Office, as applicable, those intellectual property rights listed on Schedule B hereto within thirty (30) days of the date of this Security Agreement. Debtor shall register or cause to be registered with the United States Patent and Trademark Office or the corresponding relevant foreign Patent Office, as applicable, Other Collateralized Intellectual Property developed, acquired or licensed by Debtor from time to time in connection with any product arguably covered by any claims of the Patents or the Licensed Patents, prior to the sale or licensing of such product to any third party (including without limitation revisions or additions to the intellectual property rights listed on such Schedule B).

16) Debtor shall at all times maintain its books of account and records relating to Debtor's Assets, including the Intellectual Property, at its principal place of business and may not relocate such books of account and records or other tangible Collateral unless, at least thirty (30) days prior to such relocation, it delivers to Secured Parties (a) written notice of such relocation and the new location thereof (which must be within the United States) and (b) evidence that appropriate financing statements under the UCC and other necessary documents have been filed and recorded and other steps have been taken to perfect the first priority security interest formed by this Security Agreement in favor of Secured Parties.

17) Debtor hereby authorizes Agent to file one or more security interest documents in the United States Patent and Trademark Office and corresponding relevant foreign Patent and Trademark Authorities, as well as financing statements and security interest documents under the UCC with the proper filing and recording agencies in any jurisdiction deemed proper by them.

18) All information heretofore, herein or hereafter supplied to Agent or Secured Parties by or on behalf of Debtor with respect to the Collateral, including but not limited to the Intellectual Property, is accurate and complete in all material respects.

19) Debtor will not enter into any agreement that would materially impair or conflict with Debtor's obligations hereunder without Agent's prior written consent. Debtor shall not permit the inclusion in any material contract to which it becomes a party of any

provisions that could or might in any way encumber or depreciate the value of the security interest created herein. Upon any executive officer of Debtor obtaining actual knowledge of any event that materially adversely affects the value of any Intellectual Property or Collateral under the Transaction Documents, Debtor will promptly notify Agent in writing.

20) Debtor shall at all times preserve and keep in full force and effect its valid existence and good standing and any rights material to its business. Debtor will not change its name, corporate structure, or identity, or add any new fictitious name unless it provides at least thirty (30) days prior written notice to Agent of such change and, at the time of such written notification, such Debtor agrees to provide any financing statements or fixture filings necessary to perfect and continue the first priority security interest granted and evidenced by this Security Agreement.

21) The Secured Parties authorize the Debtor to collect Debtor's accounts but the Agent may, upon the occurrence and during the continuation of any Event of Default and without notice, limit or terminate said authority at any time. Upon the occurrence and during the continuance of any Event of Default, at the request of Agent, Debtor shall deliver all original and other documents evidencing and relating to the performance of labor or service which created such accounts, including, without limitation, all original orders, invoices and shipping receipts. Agent may at any time, upon the occurrence and during the continuance of any Event of Default, without notifying Debtor of its intention to do so, notify account debtors of the Debtor, parties to the contracts of the Debtor, obligors in respect of instruments of the Debtor and obligors in respect of chattel paper of the Debtor that the accounts and the right, title and interest of Debtor in and under such contracts, instruments and chattel paper have been assigned to the Secured Parties and that payments shall be made directly to Agent as specified in such notice. Upon the request of Agent at any time, upon the occurrence of any Event of Default, the Debtor shall so notify such account debtors, parties to such contracts, obligors in respect of such instruments and obligors in respect of such chattel paper. The Agent may, at any time, in its name communicate with such account debtors, parties to such contracts, obligors in respect of such instruments and obligors in respect of such chattel paper to verify with such parties, to Agent's satisfaction, the existence, amount and terms of any such accounts, contracts, instruments or chattel paper.

**E. Secured Parties' Rights.** Agent shall have the right, but not the obligation, to take, at Debtor's sole expense, any actions that Debtor is required to take under this Security Agreement but which Debtor fails to take, after five (5) days notice to Debtor. Debtor shall reimburse and indemnify Agent for all reasonable costs and reasonable expenses incurred in the reasonable exercise of its rights under this section.

**F. Duty to Hold In Trust.** Upon the occurrence of any Event of Default and at any time thereafter, Debtor shall, upon receipt of any revenue, income or other sums subject to the Security Interest, whether payable pursuant to the Debentures or otherwise, 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 forthwith endorse and transfer any such sums or instruments, or both, to Agent for application to the satisfaction of the Obligations.

**G. Responsibility for Collateral.** Debtor assumes all liabilities and responsibility in connection with all Collateral, and the Obligations shall in no way be affected or diminished by reason of the loss, destruction, damage or theft of any of the Collateral or its unavailability for any reason.

**H. Security Interest Absolute.** All rights of the Agent, Secured Parties and all Obligations of Debtor hereunder, shall be absolute and unconditional, irrespective of: (a) any lack of validity or enforceability of this Agreement, the Transaction Documents 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 Transaction Documents 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 Agent 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 a Debtor, 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 Debtor 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 a Secured Party 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 a Secured Party, then, in any such event, the Debtor's obligations hereunder shall survive cancellation of this Security Agreement, and shall not be discharged or satisfied by any prior payment thereof and/or cancellation of this Security Agreement, but shall remain a valid and binding obligation enforceable in accordance with the terms and provisions hereof. The Debtor waives all right to require a Secured Party to proceed against any other person or to apply any Collateral which such Secured Party may hold at any time, or to marshal assets, or to pursue any other remedy. The Debtor waives any defense arising by reason of the application of the statute of limitations to any obligation secured hereby.

**I. 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, then the Agent shall have the right, in its 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.

**J. Best Efforts for Licensed Collateral.** Notwithstanding any other provision contained herein or any of the Transaction Documents, upon the occurrence of an Event of

Default, Debtor hereby agrees that, with respect to any part of the Collateral which may require the consent of any third party or third parties in order for Debtor to transfer and/or convey its interest in and to such Collateral to the Secured Parties, as may be required in accordance herewith, Debtor shall use its best efforts to obtain such consents or approvals in as expedient a manner as possible.

**K. Attorney-in-Fact.**

(a) The Debtor authorizes the Agent, and does hereby make, constitute and appoint the Agent and its officers, agents, successors or assigns with full power of substitution, as the Debtor's true and lawful attorney-in-fact, with power, in the name of the Secured Parties or the Debtor, to, after the occurrence and during the continuance of an Event of Default, (i) endorse any note, 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 Agent or a Secured Party; (ii) to sign and endorse any financing statement pursuant to the UCC or any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, 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 Agent, and at the expense of the Debtor, at any time, or from time to time, all acts and things which the Agent deems necessary to protect, preserve and realize upon the Collateral and the Security Interest granted therein in order to effect the intent of this Security Agreement and the Transaction Documents all as fully and effectually as the Debtor might or could do; and the Debtor 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 Security Agreement and thereafter as long as any of the Obligations shall be outstanding.

(b) On a continuing basis, the Debtor will make, execute, acknowledge, deliver, file and record, as the case may be, with the proper filing and recording agencies in any jurisdiction all such instruments, and take all such action as may reasonably be deemed necessary or advisable, or as reasonably requested by Agent, to perfect the Security Interest granted hereunder and otherwise to carry out the intent and purposes of this Security Agreement, or for assuring and confirming to each Secured Party the grant or perfection of a perfected security interest in all the Collateral under the UCC.

(c) The Debtor hereby irrevocably appoints Agent as the Debtor's attorney-in-fact, with full authority in the place and instead of the Debtor and in the name of the Debtor, from time to time in Agent's discretion, to take any action and to execute any instrument which Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including the filing, in its sole discretion, of one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of the Debtor where permitted by law.

**L. Events of Default.** The occurrence of any of the following shall constitute an Event of Default under this Security Agreement.

- 1) The occurrence of an Event of Default as defined in the Transaction Documents.
- 2) Any representation or warranty of Debtor in this Security Agreement proven to have been incorrect in any material respect when made.
- 3) The failure by Debtor to observe or perform any of its obligations hereunder for five (5) days after delivery to Debtor of notice of such failure by Agent.
- 4) If any provision of this Security Agreement shall at any time for any reason be declared to be null and void, or the validity or enforceability thereof shall be contested by Debtor, or a legal proceeding shall be commenced by Debtor, or by any governmental authority having jurisdiction over Debtor, seeking to establish the invalidity or unenforceability thereof, or Debtor shall deny that it has any liability or obligation purported to be created under this Security Agreement.

**M. Rights and Remedies Upon Default.** Upon the occurrence of any Event of Default and at any time thereafter, Agent shall on behalf of the Secured Parties have the right to exercise all of the remedies conferred hereunder and under the Transaction Documents, and Agent shall have all the rights and remedies of a secured party under the UCC. Without limitation, Agent shall have the following rights and powers:

- 1) Agent shall have the right to take possession of the Debtor's Assets, including the Intellectual Property and certificates or other tangible manifestations of the Intellectual Property, and Debtor shall assemble the Assets, including the Intellectual Property, and make these assets available to Agent at places reasonably selected by Agent, whether at the Debtor's premises or elsewhere, for the purpose of Agent taking possession of, removing or putting Debtor's Assets, including the Intellectual Property, in saleable or disposable form, including by promptly executing any required further assignment of Debtor's rights in the Assets, including the Intellectual Property to Secured Parties.
- 2) Agent shall have the right to operate the business of Debtor using Debtor's Assets and shall have the right to assign, sell, lease or otherwise dispose of and deliver all or any part of Debtor's Assets, including the Intellectual Property, at public or private sale or otherwise, either with or without special conditions or stipulations, for cash or on credit or for future delivery, in such parcel or parcels and at such time or times and at such place or places, and upon such terms and conditions as Agent may deem commercially reasonable, all without (except as shall be required by applicable statute and cannot be waived) advertisement or demand upon or notice to Debtor or right of redemption of Debtor, which are hereby expressly waived. Upon each such sale, lease, assignment or other transfer of Collateral, including the Intellectual Property, any Secured Party may, unless prohibited by applicable law which cannot be waived, purchase all or any part of Debtor's Assets being sold, including the Intellectual Property, free from and discharged



of all trusts, claims, right of redemption and equities of Debtor, which are hereby waived and released.

**N. Application of Proceeds.** The proceeds of any such sale, lease or other disposition of Debtor's Assets, including the Intellectual Property, hereunder shall be applied first, to the expenses of retaking, holding, storing, processing and preparing for sale, selling, and the like (including, without limitation, any taxes, fees and other costs incurred in connection therewith) of such Assets, to the reasonable attorneys' fees and expenses incurred by Agent in enforcing its rights and the rights of Secured Parties hereunder and in connection with collecting, storing and disposing of such Assets, and then to satisfaction of the Obligations to Secured Parties on a pro rata basis based on the then outstanding principal amount loaned under the Transaction Documents as defined in the Trident Purchase Agreement and the Investor Purchase Agreement, and to the payment of any other amounts required by applicable law, after which Agent shall pay to Debtor any surplus proceeds. If, upon the sale, license or other disposition of the Assets, the proceeds thereof are insufficient to pay all amounts to which Secured Parties are legally entitled, Debtor will be liable for the deficiency, together with interest thereon, at the rate of 18% per annum or the lesser amount permitted by applicable law (the "**Default Rate**"), and the reasonable fees of any attorneys employed by Agent to collect such deficiency. To the extent permitted by applicable law, Debtor waives all claims, damages and demands against Secured Parties and Agent arising out of the repossession, removal, retention or sale of such Assets, unless due to the gross negligence or willful misconduct of Agent.

**O. Costs and Expenses.** Debtor agrees to pay all reasonable out-of-pocket fees, costs and expenses incurred in connection with any filing required hereunder, including without limitation, any financing statements pursuant to the UCC, continuation statements, partial releases and/or termination statements related thereto or any expenses of any searches reasonably required by Agent. Debtor shall also pay all other claims and charges which, in the reasonable opinion of Agent, might prejudice, imperil or otherwise affect Debtor's Assets or the Security Interest therein. Debtor will also, upon demand, pay to Agent the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which Agent may incur in connection with (i) the enforcement of this Security Agreement, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of such Assets, or (iii) the exercise or enforcement of any of the rights of Agent and/or Secured Parties under the Transaction Documents. Until so paid, any fees payable hereunder shall be added to the principal amount of the Obligations and shall bear interest at the Default Rate.

**P. Indemnity.** Debtor agrees to defend, indemnify and hold harmless Agent and Secured Parties and their respective officers, employees, and agents against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this Security Agreement, and (b) all losses or expenses in any way suffered, incurred, or paid by Agent or any Secured Party as a result of or in any way arising out of, following or consequential to transactions between Agent or Secured Parties and Debtor, whether under this Security Agreement or otherwise (including without limitation reasonable attorneys' fees and reasonable expenses), except for losses arising from or out of Agent's or such Secured Party's gross negligence or willful misconduct.





**X. Effect of Waiver.** No waiver of any breach or default or any right under this Security 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.

**Y. Binding Effect.** This Security Agreement shall be binding upon and inure to the benefit of each party hereto and its successors and assigns.

**Z. Further Action.** 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 Security Agreement.

**AA. Jurisdiction and Jury Waiver.** All questions concerning the construction, validity, enforcement and interpretation of this Security Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Texas, without regard to the principles of conflicts of law thereof. Each party agrees that all proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Security Agreement and the Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, employees or agents) shall be commenced exclusively in the state and federal courts sitting in Houston, Texas. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in Houston, Texas for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any proceeding, any claim that it is not personally subject to the jurisdiction of any such court, or that such proceeding is improper. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Security Agreement or the transactions contemplated hereby. If either party shall commence a proceeding to enforce any provisions of this Security Agreement, then the prevailing party in such proceeding shall be reimbursed by the other party for its reasonable attorney's fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Proceeding.


**BB. Notices.** All notices, requests, demands and other communications hereunder shall be subject to the notice provisions set forth in the Transaction Documents.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

GENETIC IMMUNITY, LLC

By:

  
Name: JULIANE L. LISHEWITZ, PhD.  
Title: PRESIDENT

Date: AUG 29, 2007

TRIDENT GROWTH FUND, L.P.

By: Trident Management, LLC, its general partner

Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_

By:

Name: Will Wilson

Date: \_\_\_\_\_

By:

Name: Rod Pronto

Date: \_\_\_\_\_

By:

Name: Steve Walton

Date: \_\_\_\_\_

By:

Name: Danny Vela

Date: \_\_\_\_\_

By:

Name: Ford Sasser

Date: \_\_\_\_\_

By:

Name: Andy Browder

Date: \_\_\_\_\_

By:

Name: Hilton Wilson

Date: \_\_\_\_\_

By: [RODMAN]

Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_

**Assent of Partners and Affiliates of Genetic Immunity LLC to the Security Agreement**

**Genetic Immunity Kft ("GI Hungary")**

Now comes Genetic Immunity Kft ("GI Hungary"), which hereby joins this Security Agreement for the limited purpose of agreeing that, upon the written request of either Agent or Debtor, GI Hungary shall promptly execute and deliver any instrument, document, certificate or assurance, and shall take such further action, as Agent or Debtor may request to secure, perfect, protect or enforce the Security Interest in and to Debtor's Assets as described herein, including in particular the Intellectual Property, and in any of the Transaction Documents as defined in this Security Agreement.

By: [Signature]

Date: AUGUST 29, 2007

Printed Name: JULIANNA LISIEWICZ, P.W.

Title: CEO

**Research Institute for Genetic and Human Therapy ("RIGHT")**

Now comes the Research Institute for Genetic and Human Therapy ("RIGHT"), which hereby joins this Security Agreement for the limited purpose of agreeing that, upon the written request of either Agent or Debtor, RIGHT shall promptly execute and deliver any instrument, document, certificate or assurance, and shall take such further action, as Agent or Debtor may request to secure, perfect, protect or enforce the Security Interest in and to Debtor's Assets as described herein, including in particular the Intellectual Property, and in any of the Transaction Documents as defined in this Security Agreement.

By: [Signature]

Date: 29<sup>th</sup> August 2007

Printed Name: SYLVA PETROCCHI

Title: DIRECTOR

## SCHEDULE A

### Non-SBIC Investors

Name	<b>Will Wilson</b>
Address	1717 St. James Place, Ste. 400 Houston, TX 77056
Phone	(832) 485-7105
Fax	
Email	will.wilson@SagePartnersltd.com

Name	<b>Proto Investments, Ltd.</b>
Address	1717 St. James Place, Ste. 400 Houston, TX 77056
Phone	(832) 485-7102
Fax	(713) 461-5750
Email	rod@protoenterprises.com

Name	<b>Steve Walton</b>
Address	Old City Hall 124 East Fourth St. Tulsa, OK 74103-5010
Phone	(918) 583-9920
Fax	(918) 584-2729
Email	SWalton@fdlaw.com

Name	<b>Danny Vela</b>
Address	1655 N. 23rd St. McAllen, Texas 78501
Phone	(956) 686-3716
Fax	
Email	ddvela@aol.com

Name	<b>Ford Sasser</b>
Address	1655 N. 23rd St. McAllen, Texas 78501
Phone	(956) 631-7890
Fax	(956) 630-0862
Email	f.sasser@riobk.com

Name	<b>Andy Browder</b>
Address	200 South 10 <sup>th</sup> , Ste. 708 McAllen, Texas 78501
Phone	(956) 682-3656
Fax	(956) 682-5976
Email	nassau34@yahoo.com

Name	<b>Hilton Wilson</b>
Address	200 South 10 <sup>th</sup> , Ste. 708 McAllen, Texas 78501
Phone	(956) 682-3656
Fax	(956) 682-5976
Email	HWilson873@aol.com

Name	<b>Rodman &amp; Renshaw, LLC</b>
Address	1270 Avenue of the Americas, 16th floor New York, NY 10020
Phone	(212) 356 0520
Fax	(212) 581 5690
Email	jclarke@rodmanandrenshaw .com; tpinou@rodman@rodmanan drenshaw.com

# SCHEDULE B

## Patents and Patent Applications Assigned to Genetic Immunity, LLC

<i>Title</i>	<i>S.N.</i>	<i>Status</i>	<i>Publication</i>
Methods and compositions for protective and therapeutic genetic immunization	PCT/US97/02933	evolved	WO9731119A1
	AP9801320A0	issued	AP0000964A
		issued	AU0726623B2
		issued	EA0002020B1
		issued	NZ0331369A
		issued	OA0010842A
	US 08/803,484	pending	
	EP97906764.2	pending	EP0882134A1
	CA2246359AA	pending	CA2246359AA

<i>Title</i>	<i>S.N.</i>	<i>Status</i>	<i>Publication</i>
Method of delivering genes into antigen presenting cells of the skin	PCT/US98/19498	evolved	WO9913915
	09/153198	issued	US6420176
	EP98000947128	issued	EPI024836B1
			BE, CH, DE, ES, FR, GB, IT, NL and SE disclosed
		issued	AP0001762A0
		issued	AU0754425B2
		issued	EA0003832B1
		issued	KR 7002661/2000
		issued	NZ 503334
		issued	OA0011612A
	10/081,922	pending	US2002/0193333
		pending	BR9813202A,
		pending	CA2302316AA,
	98811167.5	pending	CN1278739T
		pending	IL0134842D
		pending	JP2001516729T2
		pending	MX 2522
		pending	NO20001244A0,

<i>Title</i>	<i>S.N.</i>	<i>Status</i>	<i>Publication</i>
DNA Composition and Uses Thereof (a.k.a. Plasmid DNA and Uses therefor)	PCT/US04/00746	evolved	WO04065575
	10/757,343	issued	US7196186
	11/724,623	pending, div.	
	EP04-000702123	pending	EP1590432

Mark	Country	No.
Genetic Immunity® (Supplemental Register)*	US	2657301

*Security Agreement (Genetic Immunity, LLC), Security Agreement Page 19 of 21*

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### Patent Licenses

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**RIGHT ► GI LLC 2003 Patent & Technology License Agreement**, dated effective as of January 15, 2003, between Research Institute for Genetic and Human Therapy (RIGHT) and Genetic Immunity LLC (GI LLC), as amended and restated **July 21, 2006**, pursuant to which GI LLC is licensed to use RIGHT's "DNA Composition and Uses Thereof" US patent application and any patents issuing therefrom and any divisions, continuations, continuations-in-part and foreign counterparts thereof,\* as fully paid up, irrevocable exclusive world-wide license, together with the right to grant sublicenses, in the worldwide medical use of any medical formulations or regimens within the scope of the licensed patents. An annual minimum Payment of \$100,000 is due annually commencing on January 15, 2007 from GI LLC to RIGHT. Pursuant to clause 7.04, the license is assignable upon written consent by either party to an affiliate or either RIGHT or GI LLC or the purchaser of substantially the entire business to which the Agreement pertains.

*\* The patent application family entitled "Therapeutic DNA Vaccination" is also licensed but this family has been abandoned.*

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**GI LLC ► GI Hungary – 2005 Patent License Agreement**, dated effective as of December 20, 2005, between Genetic Immunity LLC (GI LLC) and Genetic Immunity Kft (GI Hungary), as amended and restated **September 28, 2006**, pursuant to which GI Hungary is licensed to use the following listed patents or patent applications: PCT US97/19498 "Method of Delivering Genes Into Antigen Presenting Cells of the Skin" (GI LLC); PCT US 97/02933 "Methods and Compositions for Therapeutic and Genetic Immunization" (GI LLC); and "DNA Composition and Uses Thereof" (*exclusively license // RIGHT*)\*, and any patents issuing therefrom, domestic and foreign, as an exclusive license to make, sell and export, within the countries of the European Union, in the field of Dermavir and HIV immunotherapy. The license is assignable by GI Hungary only upon written consent by GI LLC or to the purchaser of substantially the entire business to which the Agreement pertains. The license is assignable by GI LLC without consent. This License Agreement was signed by a notary public (közjegyző) in Hungary on Sept. 28, 2006.

*\* The patent application family entitled "Therapeutic DNA Vaccination" is also licensed but this family has been abandoned.*

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**GI LLC ► RIGHT – 2006 Patent License Agreement**, dated effective as of December 5, 2006, between Genetic Immunity LLC (GI LLC) and Research Institute for Genetic and Human Therapy (RIGHT), pursuant to which RIGHT is licensed to use GI LLC's PCT US97/19498 "Method of Delivering Genes Into Antigen Presenting Cells of the Skin" and PCT US 97/02933 "Methods and Compositions for Therapeutic and Genetic Immunization" patent applications and any patents issuing therefrom, domestic and foreign, as an exclusive world-wide license, in the field of Hepatitis C virus vaccines and immunotherapy. The license is assignable by RIGHT only upon written consent by GI LLC or to the purchaser of substantially the entire business to which the Agreement pertains. The license is assignable by GI LLC without consent.

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GI LLC ► ABL • RIGHT – 2005 License Commitment Letter, dated effective as of October 3, 2005, between Advanced Bioscience Laboratories (ABL), Research Institute for Genetic and Human Therapy (RIGHT), and Genetic Immunity LLC (GI LLC), and pursuant to which GI LLC grants a royalty free, non-exclusive, non-transferable license, without the right to grant sublicenses, to ABL and RIGHT under the following listed patents or patent applications: PCT US97/19498 "Method of Delivering Genes Into Antigen Presenting Cells of the Skin" (GI LLC); PCT US 97/02933 "Methods and Compositions for Therapeutic and Genetic Immunization" (GI LLC); and "DNA Composition and Uses Thereof" (*exclusively license f/ RIGHT*)\*, for the sole purpose of ABL submitting a proposal for a NIH grant to study the safety and immunogenicity of a topical DNA vaccine for HIV-1, wherein RIGHT would be subcontractor under the proposal if granted.