

05-18-2007



To the Honorable Commissione

103407285

hed original documents in copy thereof

515.07

1. Name of conveying party(ies):

PROMETIC LIFE SCIENCES INC.

- Individual(s)
- General Partnership
- Corporation-State
- Other \_\_\_\_\_
- Association
- Limited Partnership

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

3. Nature of conveyance:

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

Execution Date: 9/27/06

2. Name and address of receiving party(ies)

Name: Venture Lending & Leasing IV, Inc.

Internal

Address: \_\_\_\_\_

Street Address: 2010 North First Street

City: San Jose State: CA Zip: 95131

- Individual(s) citizenship \_\_\_\_\_
- Association \_\_\_\_\_
- General Partnership \_\_\_\_\_
- Limited Partnership \_\_\_\_\_
- Corporation-State Maryland
- Other \_\_\_\_\_

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
(Designations must be a separate document from assignment)  
Additional name(s) & address(es) attached?  Yes  No

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

A. Trademark Application No.(s) \_\_\_\_\_

B. Trademark Registration No.(s) \_\_\_\_\_

2,308,491; 2,383,274

Additional number(s) attached  Yes  No

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

Name: Russell D. Pollock, Esq.

Internal Address: \_\_\_\_\_

Street Address: Greene Radovsky Maloney & Share LLP

Four Embarcadero Center, Suite 4000

City: San Francisco State: CA Zip: 94111

6. Total number of applications and registrations involved: \_\_\_\_\_

2

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

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: \_\_\_\_\_

DO NOT USE THIS SPACE

9. Signature.

Jeffrey T. Klugman

Name of Person Signing

Signature

2.22.07

Date

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

10

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

05/17/2007 DBYRNE 00000008 2308491

01 FC:8521  
02 FC:8522

40.00 DP  
25.00 DP

TRADEMARK  
REEL: 003546 FRAME: 0416

# INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "Agreement") is made as of September 27, 2006, by and between **ProMetic Life Sciences Inc.**, a corporation existing under the laws of Canada ("Grantor"), and **VENTURE LENDING & LEASING IV, INC.**, a Maryland corporation ("Secured Party").

## RECITALS

A. Pursuant to a Loan and Security Agreement of even date herewith (the "Loan Agreement") between ProMetic BioTherapeutics, Inc., a Delaware corporation and wholly owned subsidiary of Grantor, as borrower, and Secured Party, as lender, Secured Party has agreed to make certain advances of money and to extend certain financial accommodations to Borrower (the "Loans") in the amounts and manner set forth in the Loan Agreement. All capitalized terms used herein without definition shall have the meanings ascribed to them in the Loan Agreement and in the Continuing Guaranty referenced below.

B. Secured Party is willing to make the Loans to Borrower, but only upon the condition, among others, that Grantor shall guaranty the obligations of Borrower to Secured Party in respect of the Loans by executing a Continuing Guaranty of even date herewith and grant to Secured Party a security interest in substantially all of Grantor's personal property whether presently existing or hereafter acquired. To that end, Grantor has executed in favor of Secured Party such Continuing Guaranty and a certain Deed of Hypothec of even date herewith granting a security interest in and charge over all of its personal property assets, and is executing this Agreement with respect to certain items of Intellectual Property, in particular.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. Grant of Security Interest. As collateral security for the prompt and complete payment and performance of all of Grantor's present or future Guaranty Obligations (as defined herein), Grantor hereby grants a security interest and mortgage to Secured Party, as security, in and to Grantor's entire right, title and interest in and to the following Intellectual Property, now owned or hereafter acquired by Grantor (all of which, subject to the limitations set forth herein and in the Loan Documents, shall collectively be called the "Collateral" for purposes of this Agreement):

(a) Any and all copyrights, whether registered or unregistered, held pursuant to the laws of the United States, any State thereof or of any other country; all registrations, applications and recordings in the United States Copyright Office or in any similar office or agency of the United States, and State thereof or any other country; all continuations, renewals, or extensions thereof; and any registrations to be issued under any pending applications, including without limitation those (if any) set forth on Exhibit A attached hereto (collectively, the "Copyrights");

(b) All letters patent of the United States or any other country, all registrations and recordings thereof in the name of Grantor, and all applications for letters patent of, or rights corresponding thereto in, the United States or any other country, including, without limitation, such registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of any other country; all reissues, continuations, continuations-in-part or extensions thereof; all petty patents, divisionals, and patents of addition in the name of Grantor; and all patents to be issued under any such applications, including without limitation the patents and patent applications set forth on Exhibit B attached hereto (collectively, the "Patents");

(c) All trademarks, including trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, and other general intangibles used in association with Grantor's goods and services of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof in the name of Grantor, and any applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, and reissues, extensions or renewals thereof, and the entire goodwill of the business of Grantor connected

with and symbolized by such trademarks, including without limitation those set forth on Exhibit C attached hereto (collectively, the "Trademarks");

(d) Any and all claims for damages by way of past, present and future infringement of any of the Copyrights, Patents and Trademarks, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;

(e) All amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents; and

(f) All proceeds of the foregoing.

Notwithstanding the foregoing, the term "Collateral" shall not include: (a) "intent-to-use" trademarks at all times prior to the first use thereof, whether by the actual use thereof in commerce, the recording of a statement of use with the United States Patent and Trademark Office or otherwise, or (b) any contract, instrument or chattel paper in which Grantor 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 or on the existence or creation of a security interest such that the creation of a security interest in any right, title or interest of Grantor 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; provided, however, that the foregoing exclusion shall not apply if (i) such prohibition has been waived or such other person has otherwise consented to the creation hereunder of a security interest in such contract, instrument or chattel paper on terms compatible with the present Agreement, or (ii) such prohibition would be rendered ineffective pursuant to Sections 9-407(a) or 9-408(a) of the UCC, as applicable and as then in effect in any relevant jurisdiction, or any other applicable law (including the Bankruptcy Code) or principles of equity); provided further that immediately upon the ineffectiveness, lapse or termination of any such provision, the term "Collateral" shall include, and Grantor shall be deemed to have granted a security interest in, all its rights, title and interests in and to such contract, instrument or chattel paper as if such provision had never been in effect; and provided further that the foregoing exclusion shall in no way be construed so as to limit, impair or otherwise affect Secured Party's unconditional continuing security interest in and to all rights, title and interests of Grantor in or to any payment obligations or other rights to receive monies due or to become due under any such contract, instrument or chattel paper and in any such monies and other proceeds of such contract, instrument or chattel paper.

For purposes of this Agreement, "Guaranty Obligations" means:

(i) all amounts in principal, interest, fees, costs or otherwise now or hereafter owing by Grantor to Secured Party under or in connection with the Continuing Guaranty and the other Loan Documents to which the Grantor is a party, as the whole of same may be amended, restated, supplemented, replaced or otherwise modified from time to time;

(ii) the strict performance and observance by Grantor of all agreements, warranties, representations, covenants, conditions and obligations (whether actual or contingent, whether now existing or hereafter arising, whether or not for the payment of money, and including, without limitation, any obligation or liability to pay damages) pursuant to or in connection with this Agreement, the Continuing Guaranty and the other Loan Documents to which Grantor is a party, as the whole of same may be amended, restated, supplemented, replaced or otherwise modified from time to time; and

(iii) the prompt payment, as and when due and payable, of all amounts payable hereunder and the legitimate costs (including, without limitation, all reasonable fees, charges and disbursements of counsel) that Lender may incur to recover the obligations described hereinabove or to preserve the Collateral.

2. Covenants and Warranties. Subject to the terms of, and except as may otherwise be provided in, the Loan Agreement and any other Loan Document to which Grantor is a party, Grantor represents, warrants, covenants and agrees as follows:

(a) Grantor is now the sole owner of the Collateral, except for licenses granted by Grantor to its customers in the ordinary course of business and as permitted under the Loan Documents;

(b) During the term of this Agreement, Grantor will not transfer or otherwise encumber any interest in the Collateral, except for licenses granted by Grantor in the ordinary course of business or as set forth in this Agreement or any other Loan Document;

(c) Grantor shall deliver to Secured Party, upon request, within thirty (30) days of the last day of each fiscal quarter, a report signed by Grantor, in form reasonably acceptable to Secured Party, listing any applications or registrations that Grantor has made or filed in respect of any patents, copyrights or trademarks that are included in the Collateral and the status of any outstanding applications or registrations relating thereto. Grantor shall promptly advise Secured Party of any material change in the composition of the Collateral, including but not limited to any subsequent ownership right of the Grantor in or to any trademark, patent or copyright applications or registrations included in the Collateral;

(d) Grantor shall not enter into any agreement that would materially impair or conflict with Grantor's obligations hereunder without Secured Party's prior written consent, which consent shall not be unreasonably withheld. Grantor shall not permit the inclusion in any material contract to which it becomes a party after the inclusion of Intellectual Property within the definition of the Collateral of any provisions that could or might in any way prevent the creation of a security interest in Grantor's rights in any Intellectual Property included within the definition of the Collateral acquired under such contracts.

3. Further Assurances; Attorney in Fact.

(a) On a continuing basis, Grantor will make, execute, acknowledge and deliver, and file and record in the proper filing and recording places in the United States, all such instruments, including appropriate financing statements and collateral agreements and filings with the United States Patent and Trademark Office and the Register of Copyrights, and take all such action as may reasonably be deemed necessary or advisable, or as reasonably requested by Secured Party, to perfect Secured Party's security interest in all Copyrights, Patents and Trademarks and otherwise to carry out the intent and purposes of this Agreement, or for assuring and confirming to Secured Party the grant or perfection of a security interest in all Collateral.

4. Events of Default. The occurrence of any of the following shall constitute an Event of Default under this Agreement:

(a) An Event of Default under the Loan Agreement; or

(b) Grantor breaches any warranty or agreement made by Grantor in this Agreement and, as to any breach that is capable of cure, Grantor fails to cure such breach within thirty (30) days of the sooner to occur of Grantor's receipt of notice of such breach from Secured Party or the date on which such breach first becomes known to Grantor.

5. Amendments. This Agreement may be amended only by a written instrument signed by both parties hereto.

6. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

7. Termination of Security Interests. Upon the payment in full of the Obligations and satisfaction of all Grantor's obligations under this Agreement and the other Loan Documents, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to Grantor. Upon any such termination, the Secured Party shall, at

Grantor's reasonable expense, diligently cooperate with Grantor, and execute and deliver to Grantor such documents as it shall reasonably request to evidence such termination.

*[Signature Pages Follow]*

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

Address of Grantor:

8168 Montview Road  
Montreal, Québec  
H4P 2L7  
Fax: (514) 341-6227  
Attn: \_\_\_\_\_

GRANTOR:

PROMETIC LIFE SCIENCES INC.

By: 

Name: PIERRE LARIN

Its: CEO

Address of Secured Party:

2010 North First Street, Suite 310  
San Jose, CA 95131  
Attn: President

SECURED PARTY:

VENTURE LENDING & LEASING IV, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

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

GRANTOR:

Address of Grantor:

**ProMetic Life Sciences Inc.**

<ADDRESS>

Attn: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

SECURED PARTY:

Address of Secured Party:

**VENTURE LENDING & LEASING IV, INC.**

2010 North First Street, Suite 310  
San Jose, CA 95131  
Attn: President

By:  \_\_\_\_\_

Name: Ronald W. Swenson

Its: Chief Executive Officer

EXHIBIT A

Copyrights

Description

Registration Number

Registration Date

NONE



EXHIBIT B

Patents

Description

Registration/Serial Number

Registration/Application Date

NONE

EXHIBIT C

Trademarks

<u>Description</u>	<u>U.S. Registration/Application Number</u>	<u>Registration/Application Date</u>
ProMetic & DESIGN (logo #1) (Lock and key)	2,308,491	January 18, 2000
PROMETIC BIOSCIENCES, INC.	2,383,274	September 5, 2000