

1228-98

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Form PTO-1595

RECORDATION FORM CC



DEPARTMENT OF COMMERCE

1-31-92

PATENTS

Trademark Office

To the Honorable Commissioner of Patents and Trademarks

100931624

Patents or copy thereof.

1. Name of conveying party(ies):

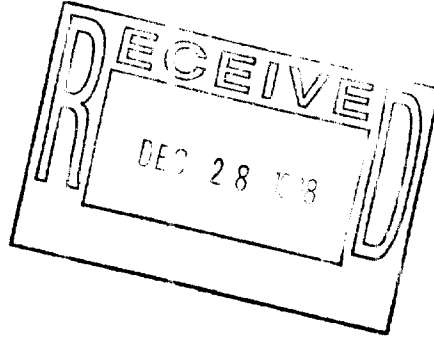
FARO Pharmaceuticals, Inc.

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

Counsel Corporation
280 Park Avenue
28th Floor, West Building
New York, NY 10017

3. Nature of conveyance:

Assignment
 Merger
 Security Agreement
 Change of Name
 Other



Execution Date 12/15/98

4. Application number(s) of patent number(s):
If this is being filed together with a new application, the execution date of the application _____

A. Patent Application No.(s)

B. Patent No.(s)

5,733,915

Additional numbers attached Yes No

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

Leslie M. Spencer
WEIL, GOTSHAL & MANGES, LLP
767 Fifth Avenue
New York, NY 10153

6. Total number of applications and patents involved 1

7. Total fees (37 CFR 3.41): \$40.00

Inclosed

Authorized to charge deposit account

8. Deposit account number:

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

12/30/1998 TTON11 00000017 5733915
01 FC/581 40.00 CP

DO NOT USE THIS SPACE

9. Statement and signature
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Leslie M. Spencer
Name of Person Signing

Signature

12/23/98
Date

Total number of pages comprising coversheet

PATENT ASSIGNMENT AGREEMENT

THIS PATENT ASSIGNMENT AGREEMENT (this "Agreement"), dated as of December 15, 1998, between FARO Pharmaceuticals, Inc., a Texas corporation (the "Grantor"), and in favor of Counsel Corporation, an Ontario corporation ("Lender");

WITNESSETH:

WHEREAS, pursuant to an Asset Purchase Agreement dated December 15, 1998 (the "Asset Purchase Agreement") made among Glaxo Wellcome Inc., Glaxo Group Limited and the Grantor, the Grantor is to purchase certain assets from Glaxo Wellcome Inc. and Glaxo Group Limited;

AND WHEREAS, the Lender has agreed to lend to the Grantor an amount of \$105,000,000 in order to provide funds to the Grantor to carry out its obligations under the Asset Purchase Agreement;

AND WHEREAS, the Grantor has executed and delivered in favor of the Lender a promissory note dated December 15, 1998 for a principal amount of \$65,000,000 and a promissory note dated December 15, 1998 for a principal amount of \$40,000,000 (collectively, the "Notes");

AND WHEREAS, the Grantor has agreed to secure its obligations to the Lender under the Notes by executing and delivering to the Lender a security agreement, dated as of the date hereof (together with all amendments and other modifications if any, from time to time thereafter made thereto, the "Security Agreement");

AND WHEREAS, the Grantor is required to execute and deliver this Agreement and grant to the Agent a continuing security interest in all of the Patent Collateral (as defined below) to secure all Obligations;

AND WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Agreement;

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

Section 1 Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided in the Security Agreement.

Section 2 Grant of Security Interest. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure all of the Obligations, the Grantor does hereby mortgage, pledge and hypothecate to the Lender, for its benefit, and grant to the Lender a security interest in, for its benefit, all of the following property (the "Patent Collateral"), whether now owned or hereafter acquired or existing:

- (a) letters patent and applications for letters patent throughout the world, including all patent applications in preparation for filing anywhere in the world and including each patent and patent application referred to in Item A of Attachment 1 hereto;
- (b) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in clause (a);
- (c) all patent licenses including each patent license referred to in Item B of Attachment 1 attached hereto;
- (d) all proceeds of, and rights associated with, the foregoing (including license royalties and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, including any patent or patent application referred to in Item A of Attachment 1 attached hereto, and for breach or enforcement of any patent license, including any patent license referred to in Item B of Attachment 1 attached hereto and all rights corresponding thereto throughout the world.

Section 3 Security Agreement. This Agreement has been executed and delivered by the Grantor for the purpose of recording the security interest of the Lender in the Patent Collateral with the United States Patent and Trademark Office and corresponding offices in other countries in the world. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Lender for its benefit under the Security Agreement. The Security Agreement (and all rights and remedies of the Lender) shall remain in full force and effect in accordance with its terms.

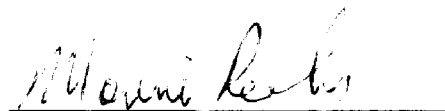
Section 4 Release of Security Interest. Upon payment in full of all Obligations and the termination of the Security Agreement, the Lender shall, at the Grantor's expense, execute and deliver to the Grantor all instruments and other documents as may be necessary or proper to release the lien on and security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

Section 5 Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Lender with respect to the security interest in the Patent Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein. This Agreement is executed pursuant to the Security Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions of the Security Agreement.

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

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

FARO PHARMACEUTICALS, INC.



Name:

Title: *Vice Chairman*

Name:

Title:

COUNSEL CORPORATION



Name:

Title:

Item A. Patents

Issued Patents

<u>*Country</u>	<u>Patent No.</u>	<u>Issue Date</u>	<u>Inventor(s)</u>	<u>Title</u>
U.S.	5733915	March 13, 1998	William J Sandbor	Use of Azathioprine to treat Crohn's disease

Pending Patent Applications

<u>*Country</u>	<u>Serial No.</u>	<u>Filing Date</u>	<u>Inventor(s)</u>	<u>Title</u>
N/A				

Patent Applications in Preparation

<u>*Country</u>	<u>Expected Docket No.</u>	<u>Filing Date</u>	<u>Inventor(s)</u>	<u>Title</u>
N/A				

Item B. Patent Licenses

<u>*Country or Territory</u>	<u>Licensor</u>	<u>Effective Licensee</u>	<u>Expiration Date</u>	<u>Subject Date</u>	<u>Matter</u>
Worldwide	Pryde Pharmaceutical Corporation ("Pryde")	Faro	12/31/01		CAPSIN