



Tab settings

101093380

To the Honorable Commissioner of Patents and Trademarks

original documents or copy thereof.

1. Name of conveying party(ies):

Altus Biologics, Inc.  
625 Putnam Avenue  
Cambridge, MA 02139-4211

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

2. Name and address of receiving party(ies)

Name: Transamerica Business Credit Corp.

Internal Address: Technology Finance Division

Street Address: 76 Batterson Park Road

City: Farmington State: CT ZIP: 06032

Additional name(s) & address(es) attached?  Yes  No

3. Nature of conveyance:

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

Execution Date: June 23, 1999

4. Application number(s) or patent number(s): 27

If this document is being filed together with a new application, the execution date of the application is: none

A. Patent Application No.(s)

See attached list of 14 patent applications

B. Patent No.(s)

Additional numbers attached?  Yes  No

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

Name: Federal Reserve Corp.

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

Street Address: 400 Seventh St NW

Suite 101

City: Washington State: DC ZIP: 20004

6. Total number of applications and patents involved: 14

7. Total fee (37 CFR 3.41).....\$ 560<sup>00</sup>

- Enclosed
- Authorized to be charged to deposit account  
Please pay and bill Transamerica.

8. Deposit account number:

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

07/19/1999 MTHALL 00000129 00474960

DO NOT USE THIS SPACE

01 FC:581

560.00 DP

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.

Meg Lengson

Name of Person Signing

Signature

6/23/99

Total number of pages including cover sheet, attachments, and document: 19

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patents & Trademarks, Box Assignments

Bulgaria	98619	2/14/94
United States (Cont. 1)	08/484,238	6/7/95
United States (Cont. 2)	08/484,232	6/7/95
United States (Cont. 3)	08/484,978	6/7/95
United States (Cont. 4)	08/477,109	6/7/95 - <b>Allowed</b>

1  
2  
3  
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15 Patents Exclusively Licensed  
To Altus As Of May 11, 1999

VPI 90-01A Series			
Country	Serial No.	Filing Date	Patent No.
Australia	83154/91	7/30/91	662104
Hungary (Pipeline)	P/P00666	6/30/95	211.21
Israel	99046	8/1/91	99046
Latvia	P-9307	7/30/91	10304
Lithuania	IP1077	7/30/91	3366
Madagascar	00021-94	11/29/94	00016
New Zealand (Div.)	264042	7/19/94	264042
Portugal	98564	8/2/91	98564
Russia	93005166.13	7/30/91	2124052
Turkmenistan	224	12/4/95	332

VPI 90-01AAA CIP 3 Series			
Country	Serial No.	Filing Date	Patent No.
5 United States (FWC III)	08/474,968	6/7/95	5, 801,022

VPI 90-01AAAA Series			
Country	Serial No.	Filing Date	Patent No.
Estonia	P9400274	11/14/94	03142
6 United States	08/017,510	2/12/93	5,618,710
7 United States (Con 5)	08/476,267	6/7/95	5, 849,296

VPI 95-10 Series

Country	Serial No.	Filing Date	Patent No.
South Africa	97/4325	5/19/97	97/4325

44 Patent Applications Owned By  
Altus As Of May 11, 1999

VPI 95-10 Series		
Country	Serial No.	Filing Date
Argentina	P97-0102139	5/20/97
Chile	982-97	5/23/97
EPO	97925652.6	5/20/97
India (A)	913CAL97	5/23/97
India (B)	934CAL97	5/23/97
Indonesia	P-971682	5/21/97
Japan	9-542648	5/20/97
Philippines	I-56533	5/23/97
Taiwan	86106384	5/13/97
Thailand	037351	5/15/97
South Korea	98-709554	5/20/97
Venezuela	923-97	5/20/97
United States	08/652,964	5/24/96 - <b>Allowed</b>
United States (DIV)	08/868,088	6/3/97

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9

VPI 96-04 and 96-04 CIP Series		
Country	Serial No.	Filing Date
United States	08/719,114	9/24/96

10

VPI 96-14 and 96-14 CIP Series		
Country	Serial No.	Filing Date
Argentina	P980101654	4/8/98
Chile	749-98	4/9/98
India (A)	631 CAL98	4/13/98
India (B)	635 CAL98	4/13/98

14

Malaysia	PI9801495	4/11/98
PCT	US98/07287	4/10/98
Peru	273.98	4/13/98
Philippines	I-1998-00820	4/8/98
South Africa	98/3044	4/9/98
Taiwan	87105465	4/10/98
Thailand	043256	4/10/98
United States	08/834,661	4/11/97
Venezuela	679-98	4/7/98

VPI 97-09 and 97-09 CIP Series

Country	Serial No.	Filing Date
Argentina	P980104437	9/4/98
Chile	2141-98	9/4/98
India (A)	1557 CAL98	8/31/98
India (B)	1556 CAL98	8/31/98
Malaysia	PI 9804062	9/4/98
PCT	US98/16372	8/6/98
Peru	827-98	9/4/98
Philippines	0002304	9/4/98
South Africa	98/7378	8/17/98
Taiwan	87114096	8/26/98
Thailand	045900	9/2/98
United States	08/926,279	9/5/97
Venezuela	1784/98	8/10/98

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VPI 97-17 Series

Country	Serial No.	Filing Date
United States	09/224,475	12/31/98

12

VPI 98-05 Series		
Country	Serial No.	Filing Date
PCT		4/27/99

VPI 98-13 Series		
Country	Serial No.	Filing Date
United States (PROV.)	60/103,804	10/9/98

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# INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT is made and entered into as of this 18th day of June, 1999 (this "Agreement"), between ALTUS BIOLOGICS, INC., a Massachusetts corporation (the "Grantor"), with and in favor of TRANSAMERICA BUSINESS CREDIT CORPORATION, a Delaware corporation (the "Lender").

**WHEREAS**, the Grantor is entering into a Master Loan and Security Agreement dated as of even date herewith (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"; terms which are capitalized herein and not otherwise defined shall have the meanings given to them in the Loan Agreement) with the Lender, pursuant to which the Lender agreed to make loans and advances to the Grantor, subject to the terms and conditions set forth in the Loan Agreement; and

**WHEREAS**, under the Loan Agreement, the Grantor has granted to the Lender a security interest in and lien on substantially all of its assets; and

**WHEREAS**, it is a condition precedent to the effectiveness of the Loan Agreement that the Grantor shall have executed and delivered this Agreement and granted a security interest in all of the Grantor's right, title and interest in and to all of the Intellectual Property Collateral (as hereinafter defined) in favor of the Lender, as contemplated hereby.

**NOW, THEREFORE**, in consideration of the premises hereof and to induce the Lender to enter into the Loan Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

## SECTION 1. Security for Obligations.

(a) Security Interest in Patents. To secure the full and prompt payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, the Grantor hereby grants and conveys to the Lender a first and valid security interest in, with a power of sale to the extent permitted by law, all of its right, title and interest in the United States and throughout the world, in and to all of the now owned and hereafter acquired United States and foreign patents and all patent and design patent applications, and all issues, reissues, re-examinations, continuations, continuations-in-part or divisions thereof, and all proceeds thereof (hereinafter collectively referred to as the "Patents"). All unexpired patents and all currently pending patent applications in which the Grantor has an interest are listed on Schedule A attached hereto and made a part hereof. Subject to the provisions of Section 2(n), the Grantor hereby further grants and conveys to the Lender a first and valid security interest, having priority over all other security interests, in all of the right, title and interest of the Grantor in and to all products, proceeds, income, royalties, damages and payments now or hereafter due and payable under or in respect of all Patents and, subject to the provisions of Section 2(n), in and to all rights during the term of this Agreement to sue, collect and retain for the Lender's benefit damages and payments for past or future infringements of the Patents.

(b) Security Interest in Trademarks. To secure the payment and performance of all of the Obligations, the Grantor hereby grants and conveys to the Lender a first and valid security interest in, with a power of sale to the extent permitted by applicable law, all of its right, title and interest, in the United States and throughout the world, in and to all of its now owned and hereafter acquired trademarks, service marks and trade names, and all variants thereof (whether or not such name is the subject of a registration or an application therefor), and all registrations and applications to register the same, and all renewals thereof, and the goodwill of the business relating thereto, and all proceeds thereof (hereinafter collectively referred to as the "Trademarks"). All United States trademark registrations and all currently pending trademark applications in which the Grantor has an interest and all foreign trademark registrations and all currently pending trademark applications in which the Grantor has an interest, are listed on Schedule B attached hereto and made a part hereof. Subject to the provisions of Section 2(n),



the Grantor hereby further grants to the Lender a first and valid security interest in all of its right, title and interest in and to (i) all products, proceeds, income, royalties, damages and payments now and hereafter due and payable under or in respect of all Trademarks, (ii) subject to the provisions of Section 2(n), all rights during the term of this Agreement to sue, collect and retain for the Lender's benefit damages and payments for past or future infringements of the Trademarks and (iii) all rights under or interest in any trademark license agreements or service mark license agreements with any other party, whether the Grantor is a licensee or licensor under any such license agreement, and the right to prepare for sale and sell any and all assets now or hereafter owned by the Grantor and now or hereafter covered by such licenses.

(c) Security Interest in Copyrights. To secure the payment and performance of all of the Obligations, the Grantor hereby grants to the Lender a first and valid security interest in all of its right, title and interest, in the United States and throughout the world, in and to all of its now owned and hereafter acquired copyrights, and all registrations and applications to register the same, all renewals thereof, any written agreement, naming the Grantor as licensor or licensee, granting any right under any copyright, any work which is or may be subject to copyright protection pursuant to Title 17 of the U.S. Code, and all physical things embodying such works (including, without limitation, copies thereof) created or otherwise used in the business of the Grantor, and all proceeds thereof (hereinafter collectively referred to as the "Copyrights"). All copyright registrations and all currently pending copyright applications in which the Grantor has an interest are listed on Schedule C attached hereto and made a part hereof. Subject to the provisions of Section 2(n), the Grantor hereby further grants to the Lender a first and valid security interest in all of its right, title and interest in and to all products, proceeds, income, royalties, damages and payments now and hereafter due and payable under or in respect of all Copyrights and, subject to the provisions of Section 2(n), in and to all rights during the term of this Agreement to sue, collect and retain for the Lender's benefit damages and payments for past or future infringements of the Copyrights.

(d) Security Interest in Proprietary Information. To secure the payment and performance of all of the Obligations, the Grantor hereby grants to the Lender a first and valid security interest in all of its right, title and interest, in the United States and throughout the world, in and to all of its now owned and hereafter acquired inventions, discoveries, trade secrets, improvements, processes, methods, formulae, applications, ideas, know-how, customer lists, corporate and other business records, license rights, advertising materials, operating manuals, sales literature, drawings, specifications, descriptions, name plates, catalogues, dealer contracts, supplier contracts, distributor agreements, confidential information, consulting agreements, engineering contracts, proprietary information, and goodwill (and all other assets which uniquely reflect such goodwill), and to all income, royalties, damages and payments now and hereafter due or payable therefor or in respect thereof (collectively, the "Proprietary Information" and, together with the Patents, the Trademarks and the Copyrights, the "Intellectual Property Collateral").

Lender agrees that its lien on Intellectual Property Collateral shall in no way interfere with and shall be subject to the following existing license and sublicense arrangements of Grantor and license and sublicense arrangements to be entered into in the future by Grantor to enable Grantor to do the following: (i) grant licenses or sublicenses of Intellectual Property Collateral in the ordinary course of business; (ii) grant licenses, sublicenses or similar arrangements in connection with joint ventures, corporate or similar collaborations, sponsored research, research collaborations and strategic alliances; (iii) grant licenses or sublicenses to permit the use of Intellectual Property of the Grantor not being pursued by the Grantor and (iv) exchange licenses or sublicenses with other persons.

## SECTION 2. Representations, Warranties and Covenants of the Grantor.

(a) The Grantor is and will continue to be the owner of all of the Intellectual Property Collateral, free from any adverse claim, security interest, lien or encumbrance in favor of any Person except for the security interest granted to the Lender and except for Permitted Liens.

(b) None of the Intellectual Property Collateral is or shall become subject to any Lien in favor of any Person other than the Lender and except for any Permitted Liens, and the Grantor agrees that it shall not license, transfer, convey or encumber any interest in or to the Intellectual Property Collateral, except for licenses sub-licenses and other arrangements permitted hereunder or under the Loan and Security Agreement.

(c) Except as disclosed in Schedule D hereto, the Grantor has made no previous assignment, transfer or agreement in conflict herewith or constituting a present or future assignment, transfer, or encumbrance of any of the Intellectual Property Collateral.

(d) Except as disclosed in Schedule D hereto, there is no financing statement or other document or instrument now signed or on file in any public office granting a security interest in or otherwise encumbering any part of the Intellectual Property Collateral, except those showing the Lender as secured party. So long as any Obligations remain outstanding, the Grantor will not execute, and there will not be on file in any public office, any such financing statement or other document or instruments, except financing statements filed or to be filed in favor of the Lender.

(e) Subject to any limitation stated therein or in connection therewith, all information furnished to the Lender concerning the Intellectual Property Collateral and proceeds thereof is and will be accurate and correct in all material respects.

(f) Except as disclosed in Schedule D hereto, all Intellectual Property Collateral consisting of applications for Patents and for registrations of Trademarks and Copyrights has been duly and properly filed and all Intellectual Property Collateral consisting of issued or granted Patents and of registrations of Trademarks and Copyrights (including, without limitation, any and all renewals, reissues, continuations or divisions thereof, as the case may be) has been duly and properly maintained.

(g) Promptly upon the receipt of an official filing receipt indicating that a patent application or an application for registration of a trademark has been received by the U.S. Patent and Trademark Office or an application for registration of a copyright has been received by the U.S. Copyright Office and upon the issuance of any patent or of any trademark or copyright registration, the Grantor agrees to notify the Lender in writing, which notice shall identify such patent, trademark or copyright application or patent, trademark or copyright registration, and the Grantor shall execute all documents necessary to perfect a security interest in such patent, trademark or copyright application or such patent or trademark or copyright registration, and the Grantor shall annually, or more frequently as the Lender shall request, cause an instrument sufficient to perfect, protect or establish any Lien hereunder to be recorded in the U.S. Patent and Trademark Office with respect to all United States patent applications filed by it or patents issued to it during the prior calendar year and with respect to all trademark applications filed by it or trademark registrations issued to it during the prior calendar year, and the Grantor shall annually, or more frequently as the Lender shall request, cause an instrument sufficient to perfect, protect or establish any Lien hereunder to be recorded in the U.S. Copyright Office with respect to United States copyright applications filed by it or copyright registrations issued to it during the prior calendar year.

(h) The Grantor shall not take any action, or permit any action to be taken by others subject to the Grantor's control, including licensees, or fail to take any action, or permit others subject to the Grantor's control, including licensees, to fail to take any action, subject to the provisions of Section 2(g), which would, in the case of any such actions or failures to act taken singly or together, adversely affect the validity, grant and enforceability of the security interest granted to the Lender hereunder. Notwithstanding the foregoing, the Grantor shall be permitted to abandon any of the Trademarks in accordance with the terms of Section 2(1).

(i) The Grantor shall promptly notify the Lender, in writing, of any suit, action, proceeding, claim or counterclaim brought against the Grantor that would reasonably be expected to affect adversely the Intellectual Property Collateral, and shall, on request, deliver to the Lender a copy of all pleadings, papers, orders or decrees theretofore and thereafter filed in any such suit, action or proceeding, and shall keep the Lender duly advised in writing of the progress of any such suit.

(j) To the best knowledge and belief of the Grantor after due inquiry, no infringement or unauthorized use presently is being made of any Intellectual Property Collateral. In the event of any material infringement of the Intellectual Property Collateral by others or in the event of any other conduct detrimental to the Intellectual Property Collateral by others known or brought to the attention of the Grantor, the

Grantor shall promptly notify the Lender in writing at its address set forth in Section 5(a) of such infringement or other conduct and the full nature, extent, evidence and facts of such infringement or other conduct known to the Grantor.

(k) If requested by the Lender, the Grantor shall provide the Lender a complete status report of all Intellectual Property Collateral. Upon request by the Lender, the Grantor shall deliver to counsel for the Lender copies of any such Intellectual Property Collateral and other documents concerning or related to the prosecution, protection, maintenance, enforcement and issuance of the Intellectual Property Collateral. Lender agrees that it will not disclose any non-public information concerning the Intellectual Property Collateral to any third party, and that said information shall remain confidential.

(l) The Grantor shall notify the Lender in writing at the address set forth in Section 5(a) at least sixty days prior to any proposed voluntary abandonment of any Intellectual Property Collateral (other than items of Intellectual Property Collateral that are not useful or beneficial to the business and operations of the Grantor) and obtain the prior written consent of the Lender to such abandonment.

(m) During the term of this Agreement, the Grantor agrees:

(i) whenever any of the registered Trademarks are used by or on behalf of the Grantor, if reasonably practicable, to affix or cause to be affixed a notice that the mark is a registered trademark or service mark, which notice shall be in a form accepted or required by the trademark marking laws of each country in which the mark is so used and registered; and

(ii) whenever any of the underlying works covered by registered Copyrights are used by or on behalf of the Grantor, if reasonably practicable, to affix or cause to be affixed a notice that said underlying works are so covered, which notice shall be in a form accepted or required by the copyright laws of such country in which said underlying works are so used and registered.

(n) Subject to the provisions of Section 4(g), during the term of this Agreement, all income, royalties, payments and damages due and payable to the Grantor under or in respect of the Intellectual Property Collateral shall be paid to the Grantor.

(o) The Grantor agrees, upon the reasonable request by the Lender, during the term of this Agreement:

(i) to execute, acknowledge and deliver all additional instruments and documents reasonably necessary or desirable to effect the purposes and intents of this Agreement, in a form reasonably acceptable to counsel for the Lender; and

(ii) to do all such other acts as may be necessary or appropriate to carry out the purposes and intents of this Agreement, and to create, evidence, perfect and continue the security interests of the Lender in the Intellectual Property Collateral.

**SECTION 3. Indemnity.** The Grantor agrees to indemnify the Lender from and against any and all claims, losses and liabilities arising out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement and any actions taken pursuant to Section 4 or any failure to act thereunder).

**SECTION 4. Rights and Remedies Upon an Event of Default.**

(a) If any Event of Default shall have occurred and be continuing, then and in every such case, subject to any mandatory Requirements of Law, the Lender, in addition to other rights and remedies provided for herein and any rights now or hereafter existing under applicable law, shall have all rights and remedies as a secured creditor under the Uniform Commercial Code in all relevant jurisdictions and may:

(i) personally, or by agents or attorneys, immediately take possession of the Intellectual Property Collateral or any part thereof, from the Grantor or any other Person who then has possession of any part thereof, with or without notice or process of law, and for that purpose may enter upon the Grantor's premises where any of the Intellectual Property Collateral is located and remove the same and use in connection with such removal any and all services, supplies, aids and other facilities of the Grantor; and

(ii) sell, assign or otherwise liquidate, or direct the Grantor to sell, assign or otherwise liquidate, any or all of the Intellectual Property Collateral or any part thereof, and take possession of the proceeds of any such sale or liquidation;

(b) Any collateral repossessed by the Lender under or pursuant to Section 4(a) and any other Intellectual Property Collateral whether or not so repossessed by the Lender, may be sold, assigned, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Lender may, in compliance with any Requirements of Law, determine to be commercially reasonable. Any such disposition which shall be a private sale or other private proceedings permitted by such requirements shall be made upon not less than 10 days' written notice to the Grantor specifying the time at which such disposition is to be made and the intended sale price or other consideration therefor, and shall be subject, for the 10 days after the giving of such notice, to the right of the Grantor or any nominee of the Grantor to acquire the Intellectual Property Collateral involved at a price or for such other consideration at least equal to the intended sale price or other consideration so specified. Any such disposition which shall be a public sale permitted by such requirements shall be made upon not less than 10 days' written notice to the Grantor specifying the time and place of such sale and, in the absence of applicable Requirements of Law, shall be by public auction (which may, at the option of the Lender, be subject to reserve), after publication of notice of such auction not less than 10 days prior thereto in two newspapers of general circulation in the jurisdiction in which such auction is to be held. To the extent permitted by any such Requirements of Law, the Lender may bid for and become the purchaser of the Intellectual Property Collateral or any item thereof, offered for sale in accordance with this Section without accountability to the Grantor (except to the extent of surplus money received). If, under mandatory Requirements of Law, the Lender shall be required to make disposition of the Intellectual Property Collateral within a period of time which does not permit the giving of notice to the Grantor as hereinabove specified, the Lender need give the Grantor only such notice of disposition as shall be reasonably practicable in view of such mandatory Requirements of Law. The Lender shall not be obligated to make any sale of Intellectual Property Collateral regardless of notice of sale having been given. The Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(c) Upon the occurrence and continuance of an Event of Default, the Lender shall have the right at any time to make any payments and do any other acts the Lender may deem necessary to protect its security interests in the Intellectual Property Collateral, including, without limitation, the rights to pay, purchase, contest or compromise any Lien which, in the reasonable judgment of the Lender, appears to be prior to or superior to the security interests granted hereunder, and appear in and defend any action or proceeding purporting to affect its security interests in, or the value of, the Intellectual Property Collateral. The Grantor hereby agrees to reimburse the Lender for all payments made and expenses incurred under this Agreement including reasonable fees, expenses and disbursements of attorneys and paralegals acting for the Lender, including any of the foregoing payments under, or acts taken to protect its security interests in, the Intellectual Property Collateral, which amounts shall be secured under this Agreement, and agrees it shall be bound by any payment made or act taken by the Lender hereunder absent the Lender's gross negligence or willful misconduct. The Lender shall have no obligation to make any of the foregoing payments or perform any of the foregoing acts.

(d) Upon an Event of Default, the Grantor hereby irrevocably authorizes and appoints the Lender, or any Person or agent the Lender may designate, as the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, at the Grantor's cost and

expense, in the Lender's good faith business judgment, to take any action and to execute any instrument that the Lender may deem necessary or advisable to accomplish the purposes and intents of this Agreement and to exercise all of the following powers upon and at any time after the occurrence and during the continuance of an Event of Default, which powers, being coupled with an interest, shall be irrevocable until all of the Obligations shall have been paid and satisfied in full:

- (i) ask for, demand, collect, bring suit, recover, compromise, administer, accelerate or extend the time of payment, issue credits, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Intellectual Property Collateral;
- (ii) receive, take, endorse, negotiate, sign, assign and deliver and collect any checks, notes, drafts or other instruments, documents and chattel paper, in connection with clause (i) above;
- (iii) receive, open and dispose of all mail addressed to the Grantor and notify postal authorities to change the address for delivery thereof to such address as the Lender may designate;
- (iv) give customers indebted on the Intellectual Property Collateral notice of the Lender's interest therein, or to instruct such customers to make payment directly to the Lender for the Grantor's account or to request, at any time from customers indebted on the Intellectual Property Collateral, verification of information concerning the Intellectual Property Collateral and the amounts owing thereon;
- (v) convey any item of Intellectual Property Collateral to any purchaser thereof;
- (vi) record any instruments under Section 2(g) hereof;
- (vii) make any payments or take any acts under Section 4(c) hereof; and
- (viii) file any claims or take any action or institute any proceedings that the Lender may reasonably deem necessary or desirable for the collection of any of the Intellectual Property Collateral or otherwise to enforce the rights of the Lender with respect to any of the Intellectual Property Collateral.

The Lender's authority under this Section 4(d) shall include, without limitation, the authority to execute and give receipt for any certificate of ownership or any document, transfer title to any item of Intellectual Property Collateral, sign the Grantor's name on all financing statements or any other documents deemed necessary or appropriate to preserve, protect or perfect the security interest in the Intellectual Property Collateral and to file the same, prepare, file and sign the Grantor's name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with any Intellectual Property Collateral and prepare, file and sign the Grantor's name on a proof of claim in bankruptcy or similar document against any customer of the Grantor, and to take any other actions arising from or incident to the rights, powers and remedies granted to the Lender in this Agreement. This power of attorney is coupled with an interest and is irrevocable by the Grantor.

(e) All cash proceeds received by the Lender in respect of any sale of, collection from, or other realization upon all or any part of the Intellectual Property Collateral shall be applied by the Lender against the Obligations in such order as the Lender may determine.

(f) The Lender shall have the right of setoff with respect to the Intellectual Property Collateral as provided Section 9.14 of the Loan Agreement.

(g) Upon the occurrence and during the continuance of an Event of Default, all income, royalties, payments and damages under or in respect of the Intellectual Property Collateral, if any, received

thereafter shall be held by the Grantor in trust for the benefit of the Lender, separate from the Grantor's own property or funds and immediately turned over to the Lender with proper assignments or endorsements. Upon the occurrence and during the continuance of an Event of Default, the Lender shall have the right to notify payors of income, royalties, payments and damages under or in respect of the Intellectual Property Collateral to make payment directly to the Lender.

(h) Each and every right, power and remedy hereby specifically given to the Lender shall be in addition to every other right, power and remedy specifically given under this Agreement or under the other Loan Documents or now or hereafter existing at law or in equity, or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by the Lender. All such rights, powers and remedies shall be cumulative and the exercise or the beginning of exercise of one shall not be deemed a waiver of the right to exercise of any other or others. No delay or omission of the Lender in the exercise of any such right, power or remedy and no renewal or extension of any of the Obligations shall impair any such right, power or remedy or shall be construed to be a waiver of any Default or Event of Default or any acquiescence therein.

#### SECTION 5. General Provisions.

(a) Notices. All notices, approvals, consents or other communications required or desired to be given hereunder shall be in writing and sent by certified or registered mail, return receipt requested, by overnight delivery service, with all charges prepaid, or by telecopier followed by a hard copy sent by overnight mail, if to the Lender, then to Transamerica Business Credit Corporation, 76 Batterson Road, Farmington, Connecticut 06032, Telecopy: (860) 677-6766, Attn.: Legal Department, and if to the Grantor, then to Altus Biologics, Inc., 625 Putnam Avenue, Cambridge, MA 02139-4211, Telecopy: (617) 517 - 6502, Attn.: President, with a copy to Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, Massachusetts, 02111, Attn: Jonathan L. Kravetz, Esq.. All such notices and correspondence shall be deemed given (i) if sent by certified or registered mail, three Business Days after being postmarked, (ii) if sent by overnight delivery service, when received at the above stated addresses or when delivery is refused and (iii) if sent by telecopier transmission, when receipt of such transmission is acknowledged.

(b) Headings. The headings in this Agreement are for purposes of reference only and shall not affect the meaning or construction of any provision of this Agreement.

(c) Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect, in that jurisdiction only, such clause or provision, or part thereof, and shall not in any manner affect such clause or provision in any other jurisdiction or any other clause or provision of this Agreement in any jurisdiction.

(d) Amendments, Waivers and Consents. Any amendment or waiver of any provision of this Agreement and any consent to any departure by the Grantor from any provision of this Agreement shall not be effective unless the same shall be in writing and signed by the Grantor and the Lender and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(e) Interpretation. Time is of the essence in each provision of this Agreement of which time is an element. All terms not defined herein or in the Loan Agreement shall have the meaning set forth in the Code, except where the context otherwise requires. To the extent a term or provision of this Agreement conflicts with the Loan Agreement and is not dealt with herein with more specificity, the Loan Agreement shall control with respect to the subject matter of such term or provision. Acceptance of or acquiescence in a course of performance rendered under this Agreement shall not be relevant in determining the meaning of this Agreement even though the accepting or acquiescing party had knowledge of the nature of the performance and opportunity for objection.

(f) Continuing Security Interest. This Agreement shall create a continuing security interest in the Intellectual Property Collateral and shall (i) remain in full force and effect until the payment in full in

cash of the Obligations, (ii) be binding upon the Grantor and its successors and assigns and (iii) inure, together with the rights and remedies of the Lender, to the Lender's successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii), the Lender may, in accordance with the terms of the Loan Agreement, assign or otherwise transfer all or any portion of its rights and obligations under the Loan Documents (including, without limitation, all or any portion of any Loans or any Notes held by it) to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to the Lender herein or otherwise, in each case as provided in the Loan Agreement.

(g) Reinstatement. To the extent permitted by law, this Agreement shall continue to be effective or be reinstated if at any time any amount received by the Lender in respect of the Obligations is rescinded or must otherwise be restored or returned by the Lender because the Grantor is the subject of an Insolvency Event, all as though such payments had not been made.

(h) Survival of Provisions. All representations, warranties and covenants of the Grantor contained herein shall survive the execution and delivery of this Agreement, and shall terminate only upon the full and final payment and performance by the Grantor of the Obligations secured hereby and termination of the Loan Agreement and the other Loan Documents.

(i) Lender May Perform. If the Grantor fails to perform any agreement contained herein, the Lender may itself perform, or cause performance of, such agreement, and the expenses of the Lender incurred in connection therewith shall be payable by the Grantor and shall constitute Obligations secured by this Agreement.

(j) No Duty on Lender. The powers conferred on the Lender hereunder are solely to protect the interest of the Lenders in the Intellectual Property Collateral and shall not impose any duty upon the Lender to exercise any such powers. Except for the safe custody of any Intellectual Property Collateral in its possession and the accounting for money actually received by it hereunder, the Lender shall have no duty as to any Intellectual Property Collateral, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters related to any Intellectual Property Collateral, whether or not the Lender has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any Person or any other rights pertaining to any Intellectual Property Collateral. The Lender shall be deemed to have exercised reasonable care in the custody and preservation of any Intellectual Property Collateral in its possession if such Intellectual Property Collateral is accorded treatment substantially equal to that which the Lender accords its own property. To the extent the Intellectual Property Collateral is held by a custodian, the Lender shall be deemed to have exercised reasonable care if it has selected the custodian with reasonable care.

(k) Delays; Partial Exercise of Remedies. No delay or omission of the Lender to exercise any right or remedy hereunder, whether before or after the happening of any Event of Default, shall impair any such right or shall operate as a waiver thereof or as a waiver of any such Event of Default. No single or partial exercise by the Lender of any right or remedy shall preclude any other or further exercise thereof, or preclude any other right or remedy.

(l) Release; Termination of Agreement. Subject to the provisions of subsection (g) hereof, upon the payment in full of the Obligations and the termination of the Loan Agreement, this Agreement shall terminate and all rights in the Intellectual Property Collateral shall revert to the Grantor. At such time, the Lender shall, upon the request and at the expense of the Grantor, (A) execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination and (B) reassign and redeliver to the Grantor all of the Intellectual Property Collateral hereunder which has not been sold, disposed of, retained or applied by the Lender in accordance with the terms hereof. Such reassignment and redelivery shall be without warranty by or recourse to the Lender, except as to the absence of any prior assignments by the Lender of its interest in the Intellectual Property Collateral.

(m) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but both of which shall together constitute one and the same agreement.


(n) GOVERNING LAW. THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS, WITHOUT GIVING EFFECT TO CONFLICT OF LAW PRINCIPLES, EXCEPT TO THE EXTENT THAT FEDERAL LAW IS APPLICABLE.

(o) SUBMISSION TO JURISDICTION. ALL DISPUTES BETWEEN THE GRANTOR AND THE LENDER, WHETHER SOUNDING IN CONTRACT, TORT, EQUITY OR OTHERWISE, SHALL BE RESOLVED ONLY BY STATE AND FEDERAL COURTS LOCATED IN CHICAGO, ILLINOIS AND THE COURTS TO WHICH AN APPEAL THEREFROM MAY BE TAKEN; PROVIDED, HOWEVER, THAT THE LENDER SHALL HAVE THE RIGHT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TO PROCEED AGAINST THE GRANTOR OR ITS PROPERTY IN ANY LOCATION REASONABLY SELECTED BY THE LENDER IN GOOD FAITH TO ENABLE THE LENDER TO REALIZE ON SUCH PROPERTY, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF THE LENDER. THE GRANTOR AGREES THAT IT WILL NOT ASSERT ANY PERMISSIVE COUNTERCLAIMS, SETOFFS OR CROSS-CLAIMS IN ANY PROCEEDING BROUGHT BY THE LENDER. THE GRANTOR WAIVES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT IN WHICH THE LENDER HAS COMMENCED A PROCEEDING, INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON FORUM NON CONVENIENS.

(p) JURY TRIAL. THE GRANTOR AND THE LENDER EACH HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO A TRIAL BY JURY.

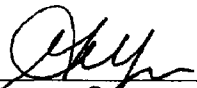
IN WITNESS WHEREOF, the parties hereto have executed this Agreement by causing this Agreement to be signed by their respective duly authorized officers on the day and year first above written.

ALTUS BIOLOGICS, INC.

By:   
Name: Peter Lancerian  
Title: President

Accepted and Agreed as of the  
date first above written:

TRANSAMERICA BUSINESS CREDIT  
CORPORATION

By:   
Name: Gary P. Moro  
Title: Vice President



Patents and Patent Applications

Trademarks and Trademark Applications

**Schedule A**

27 Patent Applications Exclusively Licensed  
To Altus As Of May 11, 1999

**VPI 90-01A (CIP) Series**

Country	Serial No.	Filing Date
Armenia	N-000261	8/10/93 - <b>Allowed</b>
Azerbaijan	95/000563	7/30/91
Belarus	732	7/30/91
Brazil	PI9106732-4	7/30/91
Canada	2087730	7/30/91 - <b>Allowed</b>
Czech Rep.	PV123-93	7/30/91
European Patent Office	91914256.2	7/30/91
European Patent Office (Div.)	98105856.3	3/31/98
Hong Kong (recordation of EPO 91914256.2)	98113369.9	12/15/98
Hong Kong (Div.) (recordation of EPO 98105856.3)		
Finland	930454	7/30/91
Georgia	001364	7/23/93
Ireland	2767/91	8/2/91
Japan	513405/91	7/30/91
Moldova	94-0406	7/14/94
Norway	930360	7/30/91
Singapore	9602857-6	2/22/96
Slovak Republic	PV59-93	7/30/91
South Korea	700303/93	7/30/91
Tajikistan	94000012	10/18/93 - <b>Allowed</b>
Ukraine	93002104	9/9/93
Uzbekistan	IHAP9300764.2	10/18/93 - <b>Allowed</b>

**VPI 90-01AAAA CIP4 Series**

Country	Serial No.	Filing Date