

09-27-2001

Docket No.: 41152/28581

FORM PTO-1595 (Modified)
(Rev. 6-93)
OMB No. 0651-0011 (exp. 4/94)
Copyright 1994-97 LegalStar
P08/REV02



SHEET

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

.Y

101857689

Tab settings → → → ▼

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

1. Name of conveying party(ies):
Symbionics, Inc.

09/21/01

Additional names(s) of conveying party(ies) ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other _____

Execution Date: 08/31/2001

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

Name: Prolog Capital A, L.P.

Internal Address: Suite 1190

Street Address: 8000 Maryland Avenue

City: St. Louis State: MO ZIP: 63105

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

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

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s)

60/287,531

B. Patent No.(s)

6,020,144

Additional numbers attached? ☐ Yes ☒ No

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

Name: Mitzi G. Cherry

Internal Address: Thompson Coburn LLP

09/26/2001 TDIAT1 00000113 60287531

01 FC:581 80.00 OP

Street Address: One Firststar Plaza

City: St. Louis State: MO ZIP: 63101

6. Total number of applications and patents involved: 2

7. Total fee (37 CFR 3.41):.....\$ 80.00

☒ Enclosed - Any excess or insufficiency should be credited or debited to deposit account☐ Authorized to be charged to deposit account

8. Deposit account number:

20-0823

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.

Mitzi G. Cherry

Name of Person Signing

Signature

Date

Total number of pages including cover sheet, attachments, and document: 14

PATENT

REEL: 012188 FRAME: 0406

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement") is made as of August 31, 2001 by SYMBIONICS, INC., a Delaware corporation (the "Company"), with offices at 4041 Forest Park Avenue, St. Louis, Missouri 63108, in favor of PROLOG CAPITAL A, L.P., a Missouri limited partnership (the "Secured Party"), with business offices at 8000 Maryland Avenue, Suite 1190, St. Louis, Missouri 63105.

WITNESSETH:

WHEREAS, the Company and Secured Party are entering into that certain letter agreement dated the date hereof (the "Letter Agreement") with respect to the Company's issuance to Secured Party of certain promissory notes, warrants and other obligations, including without limitation, the Company's Secured Convertible Promissory Note dated the date hereof in the original principal amount of \$250,000 (as any of the same may from time to time be amended, modified, extended, renewed, restated or converted, collectively, the "Notes"); and

WHEREAS, as a condition precedent to the Secured Party entering into the Letter Agreement and accepting the Notes, the Secured Party has required that the Company execute and deliver this Agreement to Secured Party; and

WHEREAS, in order to induce the Secured Party to enter into the Letter Agreement and accept the Notes, the Company has agreed to execute and deliver this Agreement to the Secured Party;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company hereby covenants and agrees with the Secured Party as follows:

1. Definitions. As used herein, the terms hereinafter set forth shall have the following meanings:

(a) All terms used in this Agreement which are defined in the Uniform Commercial Code currently in effect in the State of Missouri (the "UCC") and which are not otherwise defined in this Agreement shall have the same meaning herein as set forth in the UCC. However, if a term is defined in Article 9 of the UCC differently than in another article of the UCC, then the term shall have the meaning specified in Article 9 of the UCC.

(b) "Collateral" shall mean, collectively, all personal property of the Company, wherever located and whether now or hereafter existing or now owned or hereafter acquired or arising, including, without limitation:

(i) all accounts, accounts receivable, payment intangibles, lease payments, rental payments, lease rights, contract rights and other rights to the payment of money, and all goods whose sale, lease, rental or other disposition by the Company have given rise to accounts and have been returned to or repossessed or stopped in transit by the Company;

(ii) all inventory of the Company, wherever located, including, without limitation, (A) all inventory under lease, in transit, held by others for the Company's account, covered by warehouse receipts, purchase orders and/or contracts, or in the possession of any lessees, renters, carriers, forwarding agents, truckers, warehousemen, vendors or other persons or entities and (B) all inventory consisting of raw materials, work in process, finished goods, supplies, goods, incidentals, office supplies and/or packaging and shipping materials;

(iii) all documents, including, without limitation, all warehouse receipts, bills of lading and similar documents of title relating to goods in which the Company at any time has an interest, whether now or at any time or times hereafter issued to the Company or Secured Party by any person or entity, and whether covering any portion of the Company's inventory or otherwise;

(iv) all instruments (including, without limitation, promissory notes) of any kind or nature whatsoever, whether negotiable or non-negotiable;

(v) all chattel paper of any kind or nature whatsoever, including, without limitation, all leases, rental agreements, installment sale agreements, conditional sale agreements and other chattel paper relating to or arising out of the sale, rental, lease or other disposition of any of the Collateral;

(vi) all general intangibles of any kind or nature whatsoever, including, without limitation, all payment intangibles, all patents, trademarks, copyrights and other intellectual property, and all applications for, registrations of and licenses of the foregoing, including without limitation the Patents and Licenses (each as defined on Exhibit A attached hereto and made a part hereof), and all computer software, product specifications, trade secrets, licenses, trade names, service marks, goodwill, tax refunds, rights to tax refunds, franchises, rights related to prepaid expenses, rights under executory contracts, choses in action, causes of action and rights under partnership, joint venture, co-ownership, management and/or similar agreements and/or arrangements;

(vii) all goods, machinery, equipment, motor vehicles, trucks, tractors, trailers, appliances, furniture, furnishings, tools, dies, jigs and other tangible personal property and all accessories and parts relating thereto;

(viii) all monies, reserves, deposits, cash, cash equivalents and other property now or at any time or times hereafter in the possession or under the control of Secured Party or any bailee of Secured Party;

(ix) all deposit accounts and certificates of deposit and all interest or dividends thereon;

(x) all investment property and financial assets of any kind or type, whether certificated or uncertificated, including, without limitation, all securities, securities accounts, securities entitlements, stocks, bonds, options, warrants, commodity contracts, futures contracts, commodity accounts, commodity options,

commercial paper, money market funds and/or accounts, Treasury bills, notes and bonds, instruments, certificates of deposit, mutual fund shares, cash and money, together with all rights, income, revenues, proceeds and profits therefrom, including, without limitation, all dividends, distributions (cash or stock, extraordinary as well as ordinary), interest and other payments, all additions thereto, substitutions or replacements thereof, any goods or other property to be delivered thereunder, and any exchanges for or changes in any of the foregoing;

(xi) all letter of credit rights;

(xii) all books, records, computer records, computer disks, ledger cards, programs and other computer materials, customer and supplier lists, invoices, orders and other property and general intangibles at any time evidencing or relating to any of the Collateral;

(xiii) all accessions to any of the property described above and all substitutions, renewals, improvements and replacements of and additions thereto; and

(xiv) all proceeds, including, without limitation, proceeds which constitute property of the types described in (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii) and/or (xiii) above and any rents and profits of any of the foregoing items, whether cash or noncash, immediate or remote, including, without limitation, all income, accounts, contract rights, general intangibles, payment intangibles, chattel paper, notes, drafts, acceptances, instruments and other rights to the payment of money arising out of the sale, rental, lease, exchange or other disposition of any of the foregoing items (provided, however, that nothing contained herein shall be deemed to permit or assent to any such disposition other than the sale of inventory in the ordinary course of business (which does not include any sale or other transfer of inventory in partial or total satisfaction of any indebtedness), and insurance proceeds, and all products, of (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii) and/or (xiii) above, and any indemnities, warranties and guaranties payable by reason of loss or damage to or otherwise with respect to any of the foregoing items;

(c) "Event of Default" shall mean the occurrence of any of the following events or conditions: (a) The Company shall fail to pay any principal of, interest on or other amount due with respect to any of the Secured Obligations as and when the same shall become due and payable, whether by reason of demand, maturity, acceleration or otherwise; (b) The Company shall fail to perform or observe any of the terms, provisions, covenants or agreements contained in this Agreement and any such failure shall remain unremedied for five (5) days after the earlier of (i) written notice of default is given to the Company by Secured Party or (ii) any officer of the Company obtains knowledge of such default; (c) any representation or warranty made by the Company in this Agreement shall prove to be untrue or incorrect in any material respect; (d) any default or event of default shall occur under or within the meaning of the Letter Agreement or any one or more of the Notes; (e) any License Agreement (as defined in Exhibit A) shall at any time for any reason cease to be in full force and effect or shall be declared to be null and void by a

court of competent jurisdiction, or if the validity or enforceability thereof shall be contested or denied by any party thereto, or if any party thereto shall deny that it has any further liability or obligation thereunder, or if any party thereto shall fail to comply with or observe any of the terms, provisions or conditions contained in any such License Agreement; or (f) any default or event of default shall occur under or within the meaning of any other agreement, document or instrument heretofore, now or hereafter executed by the Company with or in favor of Secured Party which is not cured or waived within any applicable cure or grace period (if any).

(d) "Secured Obligations" shall mean, collectively, (i) any and all present and future indebtedness (principal, interest, fees, collection costs and expenses and other amounts), liabilities and obligations (including, without limitation, indemnity obligations) of the Company evidenced by or arising under the Notes, the Letter Agreement and/or this Agreement, (ii) any and all other indebtedness (principal, interest, fees, collection costs and expenses and other amounts), liabilities and obligations (including, without limitation, guaranty obligations and indemnity obligations) of the Company to Secured Party of every kind and character, now existing or hereafter arising, absolute or contingent, joint or several or joint and several, or otherwise, and whether heretofore, now or hereafter incurred or given by the Company as principal, surety, endorser, guarantor or otherwise, and whether created directly or acquired by Secured Party by assignment or otherwise and (iii) any and all costs of collection, legal expenses and attorneys' fees and expenses incurred by Secured Party upon the occurrence of an Event of Default under this Agreement, in collecting or enforcing payment of any such indebtedness, liabilities or obligations or in preserving, protecting or realizing on the Collateral under this Agreement or in representing Secured Party in connection with bankruptcy or insolvency proceedings.

2. Security Interest. The Company hereby gives and grants to the Secured Party and its successors and assigns, a security interest in and lien on the Collateral to secure the payment and performance of the Secured Obligations.

3. Collection of Receivables. The Company shall use its best efforts to collect all Accounts as the same become due. After the occurrence and during the continuation of an Event of Default, the proceeds of any and all Accounts received by the Company shall be held in trust for the benefit of Secured Party and shall be delivered to the Secured Party in the form received with, if required, the endorsement of the Company thereon. The Company hereby irrevocably appoints the Secured Party as its attorney-in-fact to, if an Event of Default shall have occurred and be continuing, (i) endorse the name of the Company on all forms of payment of Accounts and (ii) take any and all action to collect or receive any Accounts. The Secured Party shall have no obligation to collect Accounts, but the Company shall be bound by any collection, compromise, waiver or modification of any Accounts done in good faith by the Secured Party.

4. Representations and Covenants of The Company. The Company hereby represents and warrants to Secured Party, and covenants and agrees with Secured Party, that:

(a) the Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company's exact legal name is "Symbionics, Inc." The Company has not during the past five (5) years conducted business under any name other than the name "Symbionics, Inc." The Company does

not now and will not at any time during the term of this Agreement conduct business under any name other than the name "Symbionics, Inc." The Company's organizational identification number is 04-3323934. The Company will not change its type of organization, its jurisdiction of organization, its name or its organizational identification number unless (i) the Company gives Secured Party at least thirty (30) days prior written notice of the same and (ii) prior to making any such change, the Company executes (if necessary) and/or obtains and delivers to Secured Party any and all additional financing statements and/or amendments thereto and/or other agreements, documents or notices as may be required by Secured Party;

(b) the Company has full corporate right, power and authority to execute, deliver and perform its obligations under this Agreement and to grant to Secured Party the security interest in and lien on the Collateral hereby stated to be granted;

(c) the officer(s) of the Company executing this Agreement have been duly elected and qualified and have been duly authorized and empowered to execute, deliver and perform the terms of this Agreement on behalf of the Company;

(d) the execution, delivery and performance of this Agreement by the Company do not and will not violate any of the terms or provisions of the Certificate of Incorporation or Bylaws of the Company;

(e) the execution, delivery and performance of this Agreement by the Company do not and will not violate any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to the Company or the terms of any indenture, agreement, document, instrument or undertaking to which the Company is a party or by which it or any of its properties is bound;

(f) the Company's chief executive office and the location of the only office where it keeps its books and records respecting the Collateral is that given at the beginning of this Agreement;

(g) unless otherwise consented to in writing by Secured Party, all of the Collateral (i) is and will be kept solely at the Company's chief executive office, (ii) will not be attached or affixed in any manner to or become a part of any real estate or other personal property apart from other items of the Collateral and (iii) is in the exclusive possession and control of the Company;

(h) The Company will not (i) change the location of its chief executive office, (ii) change the location of any of its other places of business, (iii) change the location of any of the Collateral from the Company's chief executive office or (iv) establish any additional places of business or additional locations at which any of the Collateral is stored, kept or processed, unless (A) such office or Collateral location is located within the continental United States of America, (B) the Company gives Secured Party thirty (30) days prior written notice of the same and (C) prior to making any such change or establishing any such new location, the Company executes (if necessary) and/or obtains and delivers to Secured Party any and all additional financing statements and/or amendments thereto, mortgagee waivers and acknowledgments, bailee waivers and

acknowledgments, landlord waivers and acknowledgments, warehousemen waivers and acknowledgments and other agreements, documents or notices as may be required by Secured Party;

(i) subject to licenses approved pursuant to Section 5(e), the Company is, or, as to Collateral acquired after the date hereof, will be, the sole and absolute owner of all of the Collateral, free and clear of any and all liens, encumbrances and claims of any kind or nature whatsoever other than the security interest and lien granted by this Agreement, and the Company will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein;

(j) no financing statement (other than any filed on behalf of Secured Party) covering any of the Collateral is or will be on file in any public office at any time during the term of this Agreement;

(k) subject to licenses approved pursuant to Section 5(e), the Company will not, without the prior written consent of Secured Party, sell, transfer, lease, license or otherwise dispose of or offer to dispose of any of the Collateral or any interest therein;

(l) the Company will at all times keep all of the Collateral consisting of inventory, goods, machinery, equipment and/or other tangible personal property used or useful in the conduct of its business in good condition, working order and repair (ordinary wear and tear excepted), excepting any loss, damage or destruction which is fully covered by proceeds of insurance, and will not use any of the Collateral or permit any of the Collateral to be used in violation of any law, rule, regulation, ordinance or insurance policy;

(m) the Company will pay promptly when due all taxes and assessments on the Collateral or for its use or operation or upon this Agreement or any of the Secured Obligations or with respect to the perfection of any security interest or lien under this Agreement; provided, however, that the Company shall not be required to pay any such tax or assessment the payment of which is being contested in good faith and by appropriate proceedings being diligently conducted and for which adequate reserves in accordance with generally accepted accounting principals have been provided, except that the Company shall pay or cause to be paid all such taxes and assessments forthwith upon the commencement of proceedings to foreclose any lien which is attached as security therefor, unless such foreclosure is stayed by the filing of an appropriate bond in a manner reasonably satisfactory to Secured Party;

5. Patents and Licenses. The Company hereby represents and warrants to the Secured Party, and covenants and agrees with the Secured Party, that:

(a) each of the Patents and Licenses is valid and enforceable, in whole and in part, and to the best of the Company's knowledge, are not at this time the subject of any challenge to their validity or enforceability;

(b) (i) no claim has been made that the use of any of the Patents or Licenses does or may violate the rights of any third person and (ii) no claims for patent infringement have been commenced in connection with any of the Patents;

(c) the Company is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents and Licenses and any and all improvements, modifications, inventions, know-how, methods, applications and other property relating thereto, free and clear of any and all liens, charges and encumbrances, including, without limitation, any and all pledges, assignments, licenses, sublicenses, registered user agreements, shop rights and covenants by the Company not to sue third persons, excluding only security interests granted to the Secured Party;

(d) the Company has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Patents and Licenses;

(e) the Company has the right and license to use the Patents (royalty-free) and Licenses and agrees not to transfer any its rights or interest in any of the Patents or Licenses during the term of this Agreement; provided, however, that, with the prior written consent of Secured Party (which consent shall not be unreasonably withheld), the Company may license or sublicense any Patent or License on commercially reasonable terms to an unrelated third party in connection with a strategic partnership or similar relationship; and

(f) the Company has no notice of any suits or actions commenced or threatened with reference to any of the Patents or Licenses or the patents under the Licenses.

6. Records. The Company will at all times keep accurate and complete records of the Collateral and the Secured Party, or its agents, shall have the right at all reasonable times to examine and inspect the same and to make copies thereof. The Secured Party shall have the right to arrange for verification of all Accounts directly with the account debtors and subscribers or by other methods satisfactory to the Secured Party.

7. Covenants of the Company. The Company hereby covenants and agrees with the Secured Party, its successors and assigns, as follows:

(a) the Company will obtain and maintain, or cause to be obtained and maintained, a policy or policies of insurance issued by a company or companies which shall be reasonably satisfactory to the Secured Party, insuring such of the Collateral as is ordinarily insured by entities engaged in the business of the Company against loss or theft or damage by fire and such other perils as may from time to time be covered by extended coverage insurance, and insuring against such other risks as may be covered by entities engaged in a similar business, in an amount equal to the full insurable value of the Collateral with such deductible as the Secured Party may consent to. Said policy or policies shall contain an endorsement making loss payable to the Secured Party. Such policy or policies of insurance shall provide that they cannot be canceled without at least ten (10) days prior written notice to the Secured Party. The Company may retain such policy or policies; provided, however, that upon written request of the Secured Party, the Company will cause the original policy or policies to be delivered to the Secured Party.

(b) The Company will prepare and execute all necessary financing statements and supplements thereto, if any, and will attend to the filing of any and all continuation statements, and will take all other actions and execute all other documents, including cooperating with Secured Party to obtain Control of any Collateral, as required by the Secured Party and by the law of the state where the Collateral is located or any other applicable law from time to time in order to perfect and to continue the perfection and validity of the security interests of the Secured Party hereunder. The Company hereby appoints the Secured Party as its agent and attorney-in-fact to sign all such financing statements, continuation statements and other documents for filing or perfection purposes. The Company hereby authorizes the Secured Party to file, without the signature of the Company, where permitted by law, one or more financing or continuation statements, and amendments thereto, describing or relating to the Collateral which the Secured Party may deem necessary or desirable.

(c) The Company shall use its best efforts to continue its maintenance and prosecution of the Patents, to comply with all of the terms and conditions of the License Agreements (as defined in Exhibit A) and to keep the License Agreements in full force and effect. The Company shall notify the Secured Party of any default by either party under the License Agreements and of any adverse claims against the Patents.

(d) The Company hereby irrevocably appoints the Secured Party as the Company's attorney-in-fact and proxy, with full authority in the place and stead of the Company and in the name of the Company or otherwise, from time to time in the Secured Party's discretion, to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, (i) to obtain and adjust insurance required to be paid to the Secured Party pursuant to this Agreement; (ii) to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any Collateral; (iii) to receive, endorse, and collect any drafts or other instrument, documents and chattel paper in connection with clause (i) or (ii) of this subsection (d); and (iv) to file any claims or take any action or institute any proceedings which the Secured Party may deem necessary or desirable for the collection of any Collateral or otherwise to enforce the rights of the Secured Party with respect to any Collateral.

(e) If the Company fails to perform any agreement contained herein, the Secured Party may perform, or cause performance of, such agreement or obligation, and the expenses of the Secured Party incurred in connection therewith shall be payable by the Company upon demand.

(f) The powers conferred on the Secured Party hereunder are solely to protect the interests of Secured Party and the holders of the Notes in the Collateral and shall not impose any duty upon the Secured Party to exercise any such powers.

(g) The Company shall, from time to time as requested by the Secured Party, execute and deliver to the Secured Party all such instruments, supplements, further assurances and security or other agreements as may be required or reasonably requested by the Secured Party in order to perfect and continue the security interest in the Collateral hereunder.

8. Defaults and Remedies. Upon the occurrence and during the continuation of an Event of Default hereunder, the Secured Party shall have the right to do the following:

(a) To perform any defaulted covenant or agreement of this Agreement to such extent as it shall determine and advance such monies as it shall deem advisable for the aforesaid purpose (including, without limitation, advances of payment(s) for insurance premiums and taxes), and all monies so advanced by the Secured Party, together with interest thereon from the date advanced until paid at the highest rate then in effect under the Notes, shall be secured hereby and shall be repaid promptly on demand; provided, however, that nothing herein contained shall be construed to require the Secured Party to advance money for any of the aforesaid purposes;

(b) To notify all or any account debtors to make payments directly to the Secured Party;

(c) To take control of any and all proceeds to which the Secured Party is entitled under this Agreement or under applicable law;

(d) Whether or not any or all of the Secured Obligations are declared to be forthwith due and payable, to take immediate possession of the Collateral and, with or without taking possession of the Collateral, to sell, lease or otherwise dispose of any or all of the Collateral, either at public or private sale, upon commercially reasonable terms and in a commercially reasonable manner, and the Secured Party or any holder of the Notes may become the purchaser thereof at public or private sale. Not less than ten (10) days written notice of any proposed sale shall be given to the Company and, in the event of a sale at public auction, notice of the time, place and terms thereof, and, by general description of the Collateral to be sold, shall be published in a newspaper of general circulation in the county in which such Collateral is located at least once prior to such sale. Any sale may be adjourned at any time and from time to time to a reasonably specified time and place by announcement at the time and place of sale as previously filed, without further notice by publication or otherwise of the time and place of such adjourned sale. The proceeds of any sale shall be applied (i) first to the payment of all costs, expenses, liabilities and advances made or incurred in connection with the collection and enforcement of the Secured Obligations and the taking, holding and preparing for sale or disposition, and sale or disposition and the like (including reasonable attorneys' fees), (ii) next, to the payment of the Secured Obligations in such order and manner as Secured Party, in its discretion, may elect, and (iii) lastly, to the payment of any surplus remaining after the payment of the amounts mentioned, to the Company or to whomsoever may be lawfully entitled thereto. Any such sale, public or private, may be made in part on credit at the option of the Secured Party. The Secured Party shall have the right to conduct any such sale on any of the Company's premises, and the Secured Party shall have such right of possession of said premises as shall be necessary or convenient for such purpose;

(e) To require the Company, to the extent practicable and at its expense, to assemble the Collateral and make it available to the Secured Party at such locations within the county wherein such Collateral is located as the Secured Party shall designate;

(f) The Secured Party shall have any and all other rights and remedies provided by law or equity. The Secured Party shall have and continue to have all the rights, powers and remedies of a secured party under the UCC or under the Uniform

Commercial Code in effect in any other applicable jurisdiction. All of the rights and remedies of the Secured Party are cumulative, and no waiver of any default will affect any other subsequent default.

(g) Nothing herein contained shall be construed as preventing the Secured Party from taking all lawful actions to protect its interests in the event that liquidation, insolvency, bankruptcy, reorganization or foreclosure proceedings of any nature whatsoever affecting the property or assets of the Company should be instituted.

9. Termination. The security interests of the Secured Party in the Collateral created hereby shall cease and terminate upon full payment of the Secured Obligations and there shall be no further commitment of the Secured Party or any holder of the Notes to lend or advance sums to the Company, and the Secured Party shall thereupon execute and deliver to the Company instruments evidencing such termination in form reasonably satisfactory to the Company.

10. Notices. Any notice under this Security Agreement shall be deemed to have been sufficiently given for all purposes if sent by certified mail to the parties at the addresses first above written or as may be otherwise notified in writing.

11. Governing Law. The provisions of this Security Agreement and of the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Missouri.

12. Successors and Assigns. This Security Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of the Secured Party and its successors and assigns.

IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement as of the date first above written.

SYMBIONTICS, INC.

By 
Dennis Vaccaro, President

PROLOG CAPITAL A, L.P.

By Prolog Ventures A, LLC, its General Partner

By 
Ilya B. Nykin, Managing Director

Exhibit A

“Patents” shall mean each and all of the following patents, patent applications and provisional patents and the inventions and improvements described and claimed therein:

United States Patents:

<u>Patent No.</u>	<u>Date Issued</u>	<u>Inventor</u>	<u>Description</u>
6,020,144	2/01/2000	Gueiros-Filho, Beverly and Vaccaro	Sustained delivery device comprising a Leishmania protozoa and methods of making and using the same

United States Provisional Patents:

Appl. or Ser. #

Attorney Docket
No. SYM-007PR

Patents in Process

Methods & compositions of lysosomal targeting
(sometimes referred to as GILT)

and the foreign patents and patent applications corresponding to each of the foregoing.

“Licenses” shall mean the rights (patent and other rights) of the Company under (i) the License Agreement dated as of March 13, 1997 between the President and Fellows of Harvard College and the Company and (ii) the License Agreement dated as of January 24, 2000 between Washington University and the Company, or otherwise (collectively, the “License Agreements”).