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02-19-2002

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Patent and Trademark Office
Docket No. 07427-0000190

101985945

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

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

- ☒ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☐ Corporation-State ☐ Other

1-14-02

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

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

Name: United California Bank
Internal Address: Sherman Oaks Commercial Banking Center
Street Address: 15165 Ventura Boulevard, Suite 445
City: Sherman Oaks State: CA Zip code: 91403

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

3. Nature of conveyance:

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

Execution Date: December 26, 2001

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

If this document is being filed together with a new application, the execution date of the application is: _____ 1

A. Patent Application No.(s) 09/878,159

B. Patent No.(s):

Additional numbers attached? ☐ Yes ☒ No

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

Jeffrey Kayes
Morrison & Foerster LLP
555 West Fifth Street
Suite 3500
Los Angeles, California 90013-1024

6. Total number of applications and patents involved: 1

7. Total fee (37 C.F.R. § 3.41): \$40.00

- ☐ Enclosed
☒ Authorized to be charged to deposit account, referencing
Attorney Docket 07427-0000190

8. Deposit account number: 03-1952The Commissioner is hereby authorized to charge any fees under 37 C.F.R. § 1.21 that may be required by this paper, or to credit any overpayment to Deposit Account No. 03-1952.

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.

Name: Robert K. Cerpa
Registration No: 39,933

Signature

January 14, 2002

Date

Total number of pages comprising cover sheet, attachments and document: 9

Mail documents to be recorded with required cover sheet information to:

U.S. Patent and Trademark Office
Office of Public Records
Box Assignments
Crystal Gateway 4, Room 335
Washington, D.C. 20231

02/15/2002 6TON11 00000199 031952 09878159

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la-543316

PATENT
REEL: 012574 FRAME: 0586

SECURITY AGREEMENT
(Patents)

THIS SECURITY AGREEMENT (Patents) (the "Patent Security Agreement") is made and dated this 31st day of December, 2001 by and between MILLS BIOPHARMACEUTICALS, INC., an Oklahoma corporation ("MB"), and UNITED CALIFORNIA BANK (the "Lender").

RECITALS

A. Pursuant to that certain Credit Agreement dated as of December 31, 2001 between MBI Holdings, Inc., an Oklahoma corporation (the "Borrower") and Lender (as amended, modified or waived, the "Credit Agreement"), Lender extended or agreed to extend credit to or for the benefit of the Borrower on the terms and conditions and subject to the conditions set forth therein.

B. In connection therewith, MB agreed, among other things, to execute and deliver in favor of Lender, (i) that certain Security Agreement dated as of December 31, 2001 (as amended, modified or waived, the "Security Agreement") between MB and Lender, and (ii) certain supplemental documents, including, without limitation, this Patent Security Agreement.

NOW, THEREFORE, in consideration of the above Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT

1. Grant of Security Interest. MB hereby mortgages, assigns, grants and conveys to Lender a security interest, pledge, assignment and mortgage in all of MB's right, title and interest in the following (the "Patent Collateral"):

(a) All now existing or hereafter created or acquired, patents, letters patents, inventions, patent applications and rights and works protectable by patent, and, except to the extent prohibited by the terms thereof, all agreements in respect of patents owned by third parties, including, without limitation, the patents specifically described on Schedule I attached hereto, as the same may be amended or replaced from time to time;

(b) All now existing and hereafter arising registrations and applications for registration relating to any of the foregoing, all renewals and extensions thereof throughout the world in perpetuity, and all rights to make such applications and to renew and extend the same;

(c) All now existing and hereafter arising rights and licenses to make, have made, use and/or sell the inventions disclosed and claimed by any of the foregoing;

(d) All now existing and hereafter arising right (but not the obligation) to register claims under any state, federal or foreign patent law or regulation;

(e) All now existing and hereafter arising rights, claims and interests under licensing or other contracts pertaining to any of the foregoing;

(f) All now existing and hereafter arising specifications as to and quality control manuals used in connection with the operations utilizing any of the foregoing;

(h) All now existing and hereafter arising goodwill associated with any of the foregoing;

(i) All now existing and hereafter arising right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of Lender for past, present and future infringements of any of the foregoing; and

(j) All products and proceeds of any of the foregoing.

2. Additional Representation and Warranty and Covenant. In addition to all representations and warranties, covenants and agreements set forth in the Credit Agreement, Security Agreement and any other document, MB hereby:

(a) Represents and warrants that Schedule I attached hereto sets forth an accurate and complete list of all patents owned by MB which are registered with the United States Patent and Trademark Office; and

(b) Agrees promptly to notify Lender in writing of any additional patents of which MB becomes the owner, and to deliver to Lender an amended Schedule I reflecting such additional patents. Lender is hereby authorized to cause such amended Schedule I to be filed and recorded in amendment of this Patent Security Agreement.

3. No Present Assignment. Neither the Credit Agreement, this Patent Security Agreement, the Security Agreement nor any other document, instrument or agreement creates or is intended to create a present assignment of the Patent Collateral. Subject to the rights of Lender, it is the intention of the parties hereto that MB continue to own the Patent Collateral.

4. Relationship to Other Documents. The Patent Collateral shall constitute Collateral for all purposes of the Credit Agreement, the Security Agreement and the other documents executed in connection therewith, and Lender shall have all rights, powers and remedies with respect to the Patent Collateral to the same extent as it has with respect to other Collateral.

5. Miscellaneous.

(a) All covenants and other agreements contained in this Patent Security Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns.

(b) Any provision of this Patent Security Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

(c) Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to

action to be taken by any person, or which such person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such person.

(d) This Patent Security Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

(e) This Patent Security Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of California excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Patent Security Agreement
be executed on and as of the day and year first above written.

MILLS BIOPHARMACEUTICALS, INC.:

By: 

Name: Stanley E. Mills

Title: President

LENDER:

UNITED CALIFORNIA BANK

By: 

Name: JEFFREY D. HARTER

Title: VICE PRESIDENT

Signature Page to MB Patent Security Agreement

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SCHEDULE I

TO PATENT SECURITY AGREEMENT

<u>PATENT TITLE</u>	<u>APPLICATION/REGISTRATION NUMBER</u>	<u>APPLICATION/REGISTRATION DATE</u>
Ethnogenic Medical Device	Serial Number 09/878,159	Pending

STATE OF OKLAHOMA)
) ss.
COUNTY OF Oklahoma

On December 26 2001, before me, the undersigned notary public in and for said County and State, personally appeared Stanley L. Mills, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that, by his/her/their signature(s) on the instrument, the person(s) or the entity(ies) upon behalf of which the person(s) acted executed the instrument.

WITNESS my hand and official seal.



Julie M. Murray
My commission expires on August 1, 2005

Addresses

Borrower

Mills Biopharmaceuticals, Inc.
120 NE 26th Street
Okalahoma City, OK 73105
Attn: Dr. Stanley Mills, Ph.D

Lender

United California Bank
Sherman Oaks Commercial Banking Center
15165 Ventura Boulevard, Suite 445
Sherman Oaks, CA 91403
Attn: Manager