

FORM PTO-1595 **RECORDATION FORM COVER SHEET** U.S. DEPARTMENT OF COMMERCE
 1-31-92 **PATENTS ONLY** Patent and Trademark Office

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

1. Name of conveying party(ies): AviGenics, Inc. Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2. Name and address of receiving party(ies): Name: Fuque Venture Partners I, LLC Street Address: 1201 Peachtree Street, Suite 5000 City/State/Zip: Atlanta, GA 30306 Additional name(s) & address(es) attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other Execution Date: <u>April 27, 2004</u>	

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:

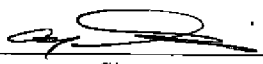
A. Patent Application No.(s): 09/998,716 10/251,364 PCT/US01/26723 10/099,663 10/351,196 PCT/US02/09866 10/114,739 10/463,980 PCT/US02/38413	B. Patent No.(s): 5,897,998 6,423,488 6,730,822
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Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Michael Scimeca Heller Ehrman White & McAuliffe LLP 275 Middlefield Road Menlo Park, CA 94025-3506	6. Total number of applications and patents involved: [12] 7. Total fee (37 CFR 3.41) <u>\$480.00</u> <input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to deposit account 8. Deposit account number: <u>08-1641</u> (Attorney Docket No.: 22491-0001)
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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.

Casey J. Hagopian Name of Person Signing	 Signature	June 3, 2004 Date
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Total number of pages including cover sheet, attachments, and document: [14]

CH \$480.00 081641 09998716

Additional Receiving Parties:

Kitty Hawk Capital Limited Partnership, IV
2700 Colsgate Road, Suite 202
Charlotte, NC 28211

TD Lighthouse Capital Fund, L.P.
Two Greenwich Plaza, 4th Floor
Greenwich, CT 06830

TD Javelin Capital Fund II, L.P.
Two Greenwich Plaza, 4th Floor
Greenwich, CT 06830

Baker/Tisch Investors LLC
667 Madison Avenue, 17th Floor
New York, NY 10021

Baker Bros. Investments, LLC
667 Madison Avenue, 17th Floor
New York, NY 10021

Four Partners
667 Madison Avenue, 17th Floor
New York, NY 10021

FBB Associates
667 Madison Avenue, 17th Floor
New York, NY 10021

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT is entered into as of April 27, 2004 by and between AVIGENICS, INC., a Delaware corporation ("*Grantor*") and each secured party listed on the signature page hereto (each, a "*Secured Party*" and, collectively, the "*Secured Parties*").

RECITALS

A. The Secured Parties have made and may in the future make certain advances of money to Grantor (the "*Loans*") in the amounts and manner set forth in those certain Secured Convertible Promissory Notes executed by Grantor in favor of such Secured Parties (collectively, as the same may be amended, modified or supplemented from time to time, the "*Notes*") and that certain Secured Note and Warrant Purchase Agreement, of even date heretof, by and between Grantor and the Secured Parties (as the same may be amended, modified or supplemented from time to time, the "*Purchase Agreement*"). The Secured Parties are willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to the Secured Parties a security interest in certain Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Notes and Purchase Agreement.

B. Pursuant to the terms of that certain Security Agreement, dated of even date herewith, by and between Grantor and the Secured Parties (as the same may be amended, modified or supplemented from time to time, the "*Security Agreement*"), Grantor has granted to the Secured Parties a security interest in all of Grantor's right, title and interest in, to or under all of the Grantor's assets. All capitalized terms used but not otherwise defined herein shall have the respective meanings assigned to them in the Security Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Notes, Purchase Agreement and Security Agreement (collectively, the "*Loan Documents*"), Grantor hereby represents, warrants, covenants and agrees as follows:

To secure its obligations under the Loan Documents Grantor grants and pledges to each Secured Party a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property (including without limitation those Copyrights, Patents and Trademarks listed on Exhibits A, B and C hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

This security interest is granted in conjunction with the security interest granted to the Secured Parties under the Security Agreement. The rights and remedies of each Secured Party with

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respect to the security interest granted hereby are subject to the terms of the Security Agreement and are in addition to those set forth in the Security Agreement and the other Loan Documents, and those which are now or hereafter available to the Secured Parties as a matter of law or equity. Each right, power and remedy of the Secured Parties provided for herein or in the Security Agreement or any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by the Secured Parties of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Security Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including a Secured Party, of any or all other rights, powers or remedies.

Grantor represents and warrants that Exhibits A, B, and C attached hereto set forth any and all intellectual property rights in connection to which Grantor has registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

GRANTOR:

AVGGENIX INC.

By: [Signature]

Print Name: YASUHIRO DEO

Title: PRESIDENT

SECURED PARTY:

FINQA VENTURE PARTNERS I, LLC

By: _____

Name: _____

Title: _____

Address: _____

1201 W. Peachtree Street, Suite 5000
Atlanta, GA 30306

Facsimile: _____

SIGNATURE PAGE TO IP SECURITY AGREEMENT

May-26-04 03:38pm From-COOLEY GODWARD LLP

14189812588

T-898 P.06/16 F-701

Received: 4/22/2004 11:10AM: ->GUP: #14: Page 10

APR. 22. 2004 7:41PM VENTURE LAW GROUP

NO.149 P.12/16

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

GRANTOR:

AVIGENICS, INC.

By: _____

Print Name: _____

Title: _____

SECURED PARTY:

PUGNA VENTURES PARTNERS I, LLC

By: [Signature]

Name: John J. Banta, Jr.

Title: Managing Director

Address: 1301 W. Peachtree Street, Suite 5000
Atlanta, GA 30306

Facsimile: (404) 815-4528

SIGNATURE PAGE TO IP SECURITY AGREEMENT

KITTY HAWK CAPITAL LIMITED
 PARTNERSHIP, LP
 2700 Calaghan Road, Suite 202
 Charlotte, NC 28211
 By: *[Signature]*
 Name: WALTER H. MARINSON, JR.
 Title: MANAGING MEMBER

Address:
 2700 Calaghan Road, Suite 202
 Charlotte, NC 28211

Facsimile: 704.362.2774

SIGNATURE PAGE TO IP SECURITY AGREEMENT

07/27/04 4:30 PAGE 10/10 RIGHTFAX
 May-26-04 03:30pm From-COOLEY GODWARD LLP 14169812600 T-698 P.08/16 F-701
 APR-25-04 05:46 FROM:TULLIS DICKINSON BHAN 10-205 970 4882 PAGE 3/7

TD INVESTOR CAPITAL FUND, L.P.

By: *Lyle A. Holasek*
 Name: *Lyle A. Holasek*
 Title: _____

Address: Two Greenwich Plaza, 4th Floor
Greenwich, CT 06830

Facsimile: _____

TD JAVELIN CAPITAL FUND II, L.P.

By: *Lyle A. Holasek*
 Name: *Lyle A. Holasek*
 Title: _____

Address: Two Greenwich Plaza, 4th Floor
Greenwich, CT 06830

Facsimile: _____

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PAGE 37 * BCVD AT 4/29/2004 7:41:57 AM [Public Display Time] * CVD:8VC6010 * DMR:364 * CDD:2M67M622 * DURATION [mm-ss]01-44

ASSIGNMENTS

07/27/04 4:38 PAGE 11/18 RightFAX

May-26-04 03:40pm From-COOLEY GODWARD LLP

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T-688 P.08/16 F-701

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r.00

BAKER/TISCH INVESTMENTS, L.P.

By: Baker Tisch Capital L.P.,
its general partner
By: Baker Tisch Capital (GP), LLC,
its general partner
By: _____
Name: Felix Baker, Ph.D.
Title: Managing Member

Address: _____

Facsimile: _____

BAKER BECK INVESTMENTS, L.P.

By: Baker Beck Capital, L.P.,
its general partner
By: Baker Beck Capital (GP), LLC,
its general partner
By: _____
Name: Felix Baker, Ph.D.
Title: Managing Member

Address: _____

Facsimile: _____

FOUR PARTNERS

By: _____
Name: Thomas J. Tisch
Title: Manager

Address: _____

Facsimile: _____

SIGNATURE PAGE TO IP SECURITY AGREEMENT

PAGE 07 * RCVD AT 4/27/2004 8:50:50 AM [Pacific Daylight Time] * GVR:GVC0117 * DNS:007 * CSD: * DURATION (MIN-SEC):01-34

ASSIGNMENTS

07/27/04 4:30 PAGE 12/18 RightFAX

May-28-04 03:40pm From-COOLEY GODWARD LLP

14180813600

T-608 P.10/16 F-701

MAR 03 1999 11:35 FR LOEWS CORP

TO 916582240500

P.67

~~FBI ASSOCIATES~~

By: _____

Name: Felix Behar, Ph.D.

Title: General Partner

Address: _____

Facsimile: _____

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PAGE 77 * RCVD AT 4/22/04 2:50:58 AM [Pacific Daylight Time] * SVR: 07/00/11 * DNS: 0667 * CDR: * DURATION (min-sec): 01-34

** TOTAL PAGE 07 **

May-26-04 03:40pm From-COOLEY GODWARD LLP

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T-800 P.11/16 F-701

**EXHIBIT A
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None

7.

Received Jun-02-2004 01:50pm

From-OPR/ASSIGNMENTS

To-COOLEY GODWARD LLP

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EXHIBIT B (DATED MAY 12, 2004)**PATENTS**

Title	AVI DOCKET NO.	PUBLICATION OR PATENT NO.	FILING DATE
Novel Vectors in Avian Transgenesis	AVI-000	8,738,823 (issued)	22 Jan 00
-	AVI-000 (B)	US20040018922	24 Jan 03
-	AVI-000CIP	US20040018923	17 Jun 03
-	AVI-000PCT		
-	AVI-000CON		28 Oct 03
Vectors Comprising a Specific Promoter for Avian Transgenesis	AVI-000EP		15 Oct 98
-	AVI-000ALI	782948 (issued)	15 Oct 98
-	AVI-000IL		11 April 00
-	AVI-000KR		17 April 00
-	AVI-000CA		15 Oct 98
-	AVI-000JP		15 Oct 98
Method for Manipulating Avian Eggs	AVI-001	5,887,888 (issued)	27 April 99
-	AVI-001PR	EP1001873 (issued)	
-	AVI-001DE	6828411.7-06 (issued)	
-	AVI-001EP	EP1001873 (issued)	
-	AVI-001GB	EP1001873 (issued)	
High Through-Put Screening	AJH-001	US6,423,488 (issued)	Filed 13 Jan 01 Issued 7/23/02
	AJH-001CIP		02 May 02
	AJH-001PCT		02 May 03
Method for Windowing Eggs	AVI-004		14 Feb 01

B.

Cloned Cells, Embryos Animals and Methods of Producing Them	AVI-005		01 Sept 00
-	AVI-005PCT	PCT/US01/26723	27 Aug 01
-	AVI-005AU		
-	AVI-005EP	1 313849	
-	AVI-005CA		
-	AVI-005JP		
Production of a MAb by a Transgenic Chicken	AVI-007		08 June 01
-	AVI-007EP		28 Jan 02
-	AVI-007AU	US2002/248335	28 Jan 02
-	AVI-007CA	2,436,754	28 Jan 02
-	AVI-007IL		28 Jan 02
-	AVI-007SG		28 Jan 02
Microinjection Assembly and Methods for Microinjecting Avian Eggs	AVI-008		31 July 01
-	AVI-008EP		06 Feb 02
-	AVI-008AU		06 Feb 02
-	AVI-008CA		06 Feb 02
-	AVI-008IL		06 Feb 02
-	AVI-008SG		06 Feb 02
Sperm Mediated Methods of Avian Transgenesis	AVI-010 P New		18 July 03
Avian Specific Promoter	AVI-013	WO02/079447	03 Aug 01
-	AVI-013EP		29 Mar 02
-	AVI-013CIP	US2003/0140363	01 Apr 02
Avian Specific Promoter	AVI-019	US2003/0126628	30 Nov 01
Avian Specific Promoter and Methods of Use	AVI-019PCT	PCT/US02/38413	02 Dec 02
Gut Specific Expression in Transgenic Avians	AVI-021	US2003/0177516	14 Mar 02

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Production Of A Transgenic Avian by Cytoplasmic Injection	AVI-034	US2003/0128829	18 Sept 02
-	AVI-034CIP		2 Oct 03
-	AVI-034EP		
-	AVI-025		1 Mar 04
-	AVI-025PCT		
Production of A Transgenic Avian By Cytoplasmic Injection	AVI-025CIP		26 Mar 04
-	AVI-025CIPPCT		28 Mar 04
Transgenic Early Embryonic Chicken Cells	AVI-027N		28 Mar 04
Avian Transgenesis Using A Chicken Specific Gene Region	AVI-028N		11 Dec 03
-	AVI-028PCT		11 Dec 03
In Vivo Transformation of Avian Cells	AVI-028		08 May 03
Compositions and Methods for Expression of Heterologous Protein in Avian Egg Whites	AVI-030P1		08 June 03
	AVI-030P2		24 Sept 03
	AVI-030P3		6 Oct 03
Novel Transfection Method	AVI-031		08 June 03
Production of A Disease Resistant Avian	AVI-032N		23 Feb 04
Use of DNA Complexes to Transfect Cells	AVI-037		3 July 03
Inactivation of Avian Immune Systems & Generation of Transgenic Avians	AVI-038		
Avian Oviduct Cell Line and Use for Heterologous Protein Production	AVI-039		7 Oct 03
Avian Transgenesis Technology	AVI-041P		

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RECORDED: 06/03/2004

PATENT
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