

FORM PTO-1596
1-31-92

RECORDATION FORM COVER SHEET

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

Docket No.: 4379-003

PATENTS ONLY

Mail Stop Assignment Recordation Services

Commissioner of Patents

P.O. Box 1450

Alexandria, VA 22313-1450

To the Honorable Commissioner for Patents and Trademarks: Please record the attached original documents or copy thereto:

1. Name of Conveying Party(ies):

HYAL PHARMACEUTICAL CORPORATION

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

3. Nature of Conveyance:

COURT ORDERED OWNERSHIP TRANSFER

Execution Date: August 16, 1999

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

Name(s): PRICEWATERHOUSECOOPERS INC.

Address: (Interim Receiver of Hyal Pharmaceutical Corporation)
145 King Street West
Toronto, Ontario M5H 1V8
CANADAAdditional name(s) & address(es) attached? ☐ Yes ☒ No

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

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

A. Patent Application No(s).

SEE ATTACHED (PAGE 2)

B. Patent No(s).

SEE ATTACHED (PAGE 2)

Additional numbers attached? ☒ Yes ☐ No

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

Name: Willem F. Gadiano

Internal Address: Nixon & Vanderhye P.C.

Street Address: 1100 North Glebe Road; 8th Floor

City: Arlington State: VA Zip: 22201

6. Total number of applications and patents involved: 50

7. Total fee (37 CFR 3.41)

\$2000.00

☐ Enclosed☒ Authorized to be charged to deposit account number:
14-1140

8. The Commissioner is hereby authorized to charge any deficiency in the fee(s) filed, or asserted to be filed, or which should have been filed herewith (or with any paper thereafter filed in this application by this firm) to our Account No. 14-1140.

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.

Willem F. Gadiano, Registration No. 37,136

Name and Registration No. of Person Signing

Signature

Date

Total number of pages including cover sheet: 31

CERTIFICATE OF FACSIMILE TRANSMISSION

I hereby certify that this document (including any paper referred to as being attached or enclosed) is being sent to the U.S. Patent and Trademark Office via facsimile transmission to (703) 306-5995 on the date indicated below, with a coversheet addressed to Commissioner for Patents, U.S. Patent and Trademark Office.

Date:

By:

September 15, 2004
Willem F. Gadiano, Reg. No. 37,136

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PATENT

876256

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REEL: 015139 FRAME: 0294

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PATENTS/PATENT APPLICATIONS

| Pat # | Pub # | App # |
|---------|---------------|----------|
| 5039521 | NONE | 07295734 |
| 5077296 | NONE | 07128175 |
| 5079236 | NONE | 07054859 |
| 5256411 | NONE | 07720591 |
| 5614506 | NONE | 08285764 |
| 5639738 | NONE | 07838675 |
| 5674857 | NONE | 08200309 |
| 5767106 | NONE | 08295390 |
| 5792753 | NONE | 08018508 |
| 5811410 | NONE | 08465335 |
| 5817642 | NONE | 08464769 |
| 5817644 | NONE | 08568489 |
| 5824658 | NONE | 08468329 |
| 5827834 | NONE | 08286263 |
| 5830882 | NONE | 08462615 |
| 5834444 | NONE | 08125398 |
| 5840361 | NONE | 08838673 |
| 5847002 | NONE | 08461123 |
| 5852002 | NONE | 08462147 |
| 5910489 | NONE | 08290848 |
| 5914314 | NONE | 08462614 |
| 5914322 | NONE | 08466774 |
| 5929048 | NONE | 08462148 |
| 5932560 | NONE | 08461124 |
| 5942498 | NONE | 08467171 |
| 5962433 | NONE | 08466778 |
| 5972906 | NONE | 08503919 |
| 5977088 | NONE | 08467995 |
| 5985850 | NONE | 08462154 |
| 5985851 | NONE | 08744852 |
| 5990095 | NONE | 08448503 |
| 5990096 | NONE | 08466713 |
| 6017900 | NONE | 08466775 |
| 6022866 | NONE | 08403766 |
| 6048844 | NONE | 08461565 |
| 6069135 | NONE | 07675908 |
| 6087344 | NONE | 08474732 |
| 6103704 | NONE | 08018754 |
| 6114314 | NONE | 08352697 |
| 6136793 | NONE | 08466715 |
| 6140312 | NONE | 08466714 |
| 6147059 | NONE | 08468330 |
| 6159955 | NONE | 08981602 |
| 6194392 | NONE | 08460978 |
| 6218373 | NONE | 08467994 |
| 6475795 | NONE | 08860696 |
| 6537978 | NONE | 09101286 |
| 6596703 | NONE | 08893620 |
| NONE | US20020077314 | 08996470 |
| NONE | US20010005501 | 09269529 |

SKYEPHARMA PLC

Plaintiff

- and -

HYAL PHARMACEUTICAL CORPORATION

Defendant

Court File No: 99-CL-3479

SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER

DAVIES, WARD & BECK
Barristers and Solicitors
P.O. Box 63, 44th Floor
1 First Canadian Place
Toronto, Ontario
M5X 1B1I. Berl Nadler (LSUC #17011F)
Jeremy Freedman (LSUC #34807Q)
James Doris (LSUC #33236P)
Tel: (416) 863-0900
Fax: (416) 863-0871

Solicitors for SkyePharma PLC

PATENT

REEL: 015139 FRAME: 0296

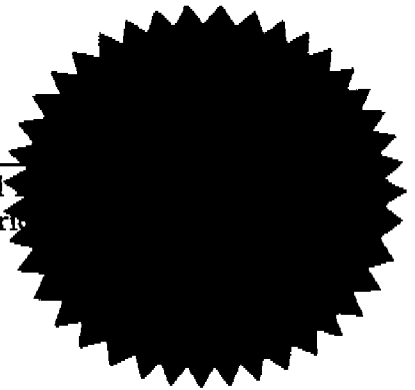
CANADA
PROVINCE OF ONTARIO
To Wit

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I, ANITA NADOR, a Notary Public, in and for the Province of Ontario, by Royal Authority duly appointed, residing at the City of Toronto, in the said Province, do certify and attest that the papers hereto annexed is a true copy of the document produced and shown to me and purporting to be an Order dated August 16, 1999 between SkyePharma PLC and Hyal Pharmaceutical Corporation appointing PricewatershouseCoopers Inc. as receiver manager of all of the assets, property and undertaking of Hyal Pharmaceutical Corporation the said copy having been compared by me with the originals, an act whereof being requested I have granted under my notarial form and seal of office to serve and avail as occasion shall or may require.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at Toronto, this 28th day of April, 2000.


A Notary Public in and
the Province of Ontario



Court File No.: 99-CL-3479

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**THE HONOURABLE MADAM
JUSTICE MOLLOY) MONDAY, THE 16TH DAY
)
) OF AUGUST, 1999

SKYEPHARMA PLC

Plaintiff

- and -

HYAL PHARMACEUTICAL CORPORATION

Defendant

**ORDER**

THIS MOTION, made on short notice, by SkyePharma PLC ("SkyePharma"), for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O 1990 c. C-43, as amended, appointing PricewaterhouseCoopers Inc. as receiver and manager, without security, of the undertaking, property and assets of Hyal Pharmaceutical Corporation ("Hyal") was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Donald Nicholson sworn August 11, 1999, the Consent of PricewaterhouseCoopers Inc. dated August 11, 1999, and upon hearing the submissions of counsel for Hyal, SkyePharma and other counsel present, if any:

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**PATENT
REEL: 015139 FRAME: 0298**

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1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record herein be and it is hereby abridged, if necessary, and that the Motion is properly returnable today and that further service thereof be and is hereby dispensed with.

2. THIS COURT ORDERS that PricewaterhouseCoopers Inc. (the "Receiver") be and is hereby appointed receiver and manager, without security, of Hyal and all of its present and future undertaking, property and assets (hereinafter referred to as the "Assets") and, subject to the provisions hereof, the Receiver is hereby empowered, authorized and directed, but not obligated, to take possession of and control the Assets and any and all proceeds, receipts and disbursements arising out of or from the Assets, until further order of this Honourable Court, and to act at once in respect of the Assets and, without in any way limiting the generality of the foregoing and in furtherance thereof, the Receiver is hereby expressly empowered and authorized, but not obligated:

- (a) to take immediate possession of the Assets for the purposes herein described, except those real property freehold or leasehold interests (collectively, the "Real Property Interests") and any and all inventory, equipment or other chattels (collectively, the "Personal Property Interests") which are or may be subject to any material Environmental Liabilities (as hereinafter defined) which shall remain in the possession or control of Hyal until such time as the Receiver considers taking possession of such Real

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Property Interests or such Personal Property Interests to be reasonably free from material Environmental Liabilities (as hereinafter defined);

- (b) subject to paragraph 2(a), to take such steps as in the opinion of the Receiver are necessary or appropriate to receive, preserve, protect and maintain control, liquidate and realize upon the Assets, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Assets to safeguard them, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverages as may be necessary or desirable;
- (c) to take such steps as in the opinion of the Receiver are necessary or appropriate to maintain control over all receipts and disbursements arising out of or from the Assets, including, without limiting the generality of the foregoing, taking such steps as are necessary or desirable to control access to and use of all bank accounts of Hyal, approve all cheques or other instruments drawn on such accounts, and permit payment of only those expenses which in the opinion of the Receiver are necessary for the continued operation of the business of Hyal;
- (d) to take such steps as in the opinion of the Receiver are necessary or appropriate to verify the existence and location of all of the Assets, the terms

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of all agreements or other arrangements relating thereto, whether written or oral, the existence or assertion of any lien, charge, encumbrance or security interest thereon, and any other matters which in the opinion of the Receiver may affect the extent, value, existence, preservation and liquidation of such Assets;

- (e) to carry on the business of Hyal if in the opinion of the Receiver it is necessary or desirable to do so, and in furtherance thereof, to enter into any agreements or incur any obligations in the ordinary course of business, pay any creditors of Hyal, including without limitation any employees or employee-related costs, if such payment is, in the discretion of the Receiver, necessary or desirable for the efficient operation of the business or the protection, preservation, maintenance or realization of the Assets, or take any other steps incidental to these powers if in the opinion of the Receiver it is necessary or desirable to do so;
- (f) to negotiate and enter into agreements in respect of the Assets, including without limitation, management agreements, or to amend or terminate existing agreements;
- (g) to pay ongoing costs or expenses incurred on and after the date of this Order which arise out of or in connection with the day to day operations of the

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Assets and the business carried on by Hyal, including, without limitation, ground rents and other rents, utilities, heating, maintenance, insurance, supplies and similar expenses;

- (h) to make such repairs or alterations to the Assets as the Receiver deems advisable;
- (i) to sell inventory and surplus equipment comprising the Assets or lease the Assets in the ordinary course of business without the approval of this Honourable Court;
- (j) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets as may be necessary or desirable in the opinion of the Receiver to continue the business of Hyal or any part or parts thereof and or to receive, preserve, protect or realize upon the Assets;
- (k) to receive and collect all monies and accounts now owed or hereafter owing to Hyal in respect of the Assets, and to exercise all remedies of Hyal in collecting all such monies, including, without limitation, to exercise any security held by Hyal;

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- (l) to join in and execute, assign, issue and endorse such transfers, conveyances, contracts, leases, deeds, bills of sale, cheques, bills of lading or exchange, or other documents of whatever nature in respect of any of the Assets, in the name and on behalf of Hyal, which are necessary, desirable or convenient in the opinion of the Receiver for any purpose pursuant to this Order;
- (m) to deal with any regulatory body including the Ministry of Health (Canada), the Ministry of Health (Ontario) and any other governmental ministry, department or agency including the United States Food and Drug Administration as authorized agent of Hyal concerning any and all approvals, any and all approvals pending, any and all clinical trials, studies, licences, patents, permits, authorizations, permissions, liabilities or obligations in respect of or in relation to the Assets, or the business of Hyal, and to take all such steps as are necessary or incidental thereto to do all things necessary or desirable to transfer any or all approvals, any and all approvals pending, any and all clinical trials, studies, licences, patents, permits, authorizations or other permissions held by Hyal to any purchaser or purchasers of all or any of the Assets or the business of Hyal, subject to any consents which may be required pursuant to any approval, licence, patent, permit, authorization or other permission on such terms and conditions as the Receiver in its discretion may determine;

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- (n) to employ employees, former employees of Hyal or employees of any creditor on a temporary basis if in the opinion of the Receiver it is necessary or desirable to do so;
- (o) to take any and all steps necessary at law, or otherwise available in the opinion of the Receiver, to preserve all patents, trademarks, technology, "know how" or other intellectual property of Hyal in Canada and elsewhere;
- (p) to undertake preliminary regulatory, environmental or workers health and safety assessments of the Assets and operations of Hyal to the extent deemed necessary by the Receiver which, without limiting the generality of the foregoing and for greater certainty, shall not include any environmental audit, of any Real Property Interests and Personal Property Interests owned, used, occupied, or under the possession, control, care, custody or management of Hyal;
- (q) to exercise all rights of a shareholder in respect of any corporate authority and to vote or otherwise deal with all securities, warrants or other interests, any options or other rights to acquire any such securities held by Hyal, or for its benefit;

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- (r) to bring any action or other legal proceedings, take any steps, enter into any agreements or incur any obligations necessary or incidental to the exercise of the aforesaid powers and performance of its duties hereunder as are necessary or appropriate in the opinion of the Receiver;
- (s) to market any or all Assets, negotiate sales and (subject to the approval of the Court if required hereunder) enter into one or more agreements of purchase and sale with potential purchasers, on such terms and conditions as the Receiver in its discretion may determine in respect of the Assets or any part or parts thereof;
- (t) to report to, meet with and discuss with secured and unsecured creditors of Hyal and their advisors as the Receiver deems appropriate on all matters relating to the Assets and the Receivership, including without limitation, financial information, analysis, offers and other expressions of interest received by the Receiver for the Assets or any part or parts thereof, and to permit such secured and unsecured creditors of Hyal as the Receiver deems appropriate to review any offer or other expression of interest received by the Receiver on such terms as to confidentiality as the Receiver deems appropriate;

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- (u) to apply for any vesting order or orders which may be necessary or desirable, in the opinion of the Receiver, in order to convey the Assets or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Assets and to settle any liens or encumbrances affecting the Assets;
- (v) to register a copy of this Order and any other Orders obtained by the Receiver in respect of the Assets against title to any or all property comprised in the Assets;
- (w) to sell, transfer or assign, whether on credit, by private tender, public auction or otherwise, or to lease or mortgage the Assets or any part or parts thereof out of the ordinary course of business,
- (i) without the necessity of the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
- (ii) on such notice as the Receiver may deem necessary or desirable or as this Court may otherwise order and with the approval of this Court in respect of any transaction in the amount of \$100,000 or more; and

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- (iii) the proceeds which are paid to the Receiver pursuant to any such agreement or agreements shall be held by the Receiver pending further Order of this Court respecting the persons to whom such proceeds should be paid;
- (x) to enter into arrangements with respect to or settle, extend or compromise any indebtedness of or owing to Hyal;
- (y) to file an assignment in bankruptcy on behalf of or consent to a receiving order against Hyal and/or any of its affiliates;
- (z) to file a proposal on behalf of Hyal under the *Bankruptcy and Insolvency Act* (Canada) or to enter into an arrangement under the *Business Corporations Act* (Ontario);
- (aa) to enter into arrangements with any trustee in bankruptcy appointed in respect of Hyal and any of its affiliates (a "Trustee"), including, without limiting the generality of the foregoing, to lend money to any such Trustee, such Trustee borrowings not to exceed \$500,000 or as otherwise increased by the Court; and
- (bb) to act as a Trustee.

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3. THIS COURT ORDERS that Hyal and all of its respective present and former directors, officers, employees, agents, and shareholders, any other persons acting on their instructions including, without limitation, the accountants and counsel of Hyal, and all other persons having notice of this Order (all of whom are collectively referred to as the "Affected Persons") do forthwith grant access to and deliver possession of the Assets of every nature and kind whatsoever, wheresoever situate, to the Receiver including, without limitation: (a) any and all of the books, securities, records, documents, accounts, contracts, deeds, papers, records, minute books, registers and any and all other information related in any way to the Assets; (b) any and all budgets, accounting records, computer records, computer programs, computer tapes, computer disks, leases and agreements related in any way to the Assets; (c) any and all information and documents relating to patents, trademarks, copyrights and other intellectual Assets or rights owned, licensed by or to or used by Hyal in its business, whether registered in the name of Hyal or otherwise; (d) any and all data storage media and programs containing any such information; and (e) any other records of every kind and nature relating to the Assets or the business carried on by Hyal, (items (a), (b), (c), (d) and (e) above being collectively, the "Information"); and (f) all monies, cheques, postdated cheques, and remittances of every kind and nature, whenever and howsoever arising in respect of the Assets, and to provide or permit the Receiver to make, retain and take away copies thereof, and allow the Receiver immediate, continued and unrestricted access to the Assets and that they must grant to the Receiver access to and use of accounting, computer, software and escrow facilities relating thereto promptly at the request of the Receiver; provided that, in the case of Assets in the hands of

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professional advisers to Hyal who are Affected Persons, the Receiver shall leave a copy of any such Assets, if capable of being copied, with such Affected Persons, who shall continue to treat all such Assets as confidential.

4. THIS COURT ORDERS that all Affected Persons, persons, firms, corporations, governments, governmental and regulatory agencies and other entities of any kind or nature (collectively, the "Persons" and each a "Person") be and they are each hereby restrained and enjoined until further order of the Court from varying, amending, terminating, cancelling or breaching any contracts or agreements with Hyal, including without limitation to any agreement or arrangement, written or oral, between Hyal and any scientist, researcher, clinician, physician, supplier or other third party and any agreement relating to any approval, research, clinical trial, study, licence, patent, authorization or right to revenue and from terminating, withdrawing, selling, transferring or assigning any such approvals, research, clinical trials, studies, licences, patents or authorization.

5. THIS COURT ORDERS that any governmental authority or regulatory body including, without limitation, the Ministry of Health (Canada), and the Ministry of Health (Ontario), be and is hereby prohibited from terminating, cancelling, annulling or withdrawing any approvals, licences, patents, permissions or authorizations issued to Hyal, or clinical trial, research or studies permitted, pursuant to law or otherwise, subject to further order of the Court.

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6. THIS COURT ORDERS that all Persons be and they are hereby restrained and enjoined from disturbing or interfering with the Assets and the Receiver and with the exercise of the powers and authority of the Receiver conferred hereunder, and to the extent required to effect the provisions hereof, all Persons are hereby relieved of the powers conferred on all such Persons by virtue of any office or position they may hold relating to Hyal.

7. THIS COURT ORDERS that if any of the Information is stored or otherwise contained on a computer or other electronic system of information storage, and if the Receiver has not otherwise been given timely access to the Information, Hyal and all Persons shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to obtain a full copy of the Information whether by way of printing the Information onto paper or making copies of computer discs or such other manner of retrieving and copying the Information as the Receiver in its discretion deems expedient. For the purposes of this paragraph, Hyal and all Persons shall provide the Receiver with all such assistance in gaining access to the Information as the Receiver may in its discretion require, including, without limiting the generality of the foregoing, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access or other codes as may be required to gain access to the Information.

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8. THIS COURT ORDERS that, without limiting the generality of any of the provisions hereof, no one claiming an interest in the Assets, or any part or parts thereof, shall be at liberty to exercise any rights in respect of such interest, including without limitation or right to possession of such Assets, or any part or parts thereof, except with the prior written consent of the Receiver or with leave of this Honourable Court being first had and obtained on at least seven (7) days' notice to the Receiver.

9. THIS COURT ORDERS that no demands, legal actions, motions, steps, registrations, perfections, administrative proceedings, self-help remedies, or any other acts, proceedings or private remedies whatsoever in respect of the Assets or the business conducted thereon by Hyal or against Hyal or the Receiver, including, without limitation, the enforcement of security, liens, or collection of any debt or liability, the exercise of any landlord's right to distrain or terminate any lease, the acceleration, amendment, or termination of any contract, including any contract of insurance of Hyal or in which Hyal is a named or unnamed insured or from which Hyal may derive a benefit, the exercise of any right of set off or combination of accounts, the exercise of any construction, mechanics' repair, storage or other lien, or the commencement or continuation of any proceedings under any environmental regulation or similar statute in any jurisdiction in which the Assets may be located, shall be taken or continued against Hyal or the Receiver, with respect to the Assets or any part thereof without the prior written consent of the Receiver or leave of this Court first being obtained and upon application after seven (7) days' notice to the Receiver provided that any recognized public authority taking action solely to protect

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imminent and material danger to life, health, limb or property, whether pursuant to Environmental Laws (as hereinafter defined) or otherwise, shall not be so restrained.

10. THIS COURT ORDERS that, without limiting the generality of any of the provisions hereof, all Persons, including without limitation, all utilities, landlords, scientists, researchers, clinicians, physicians, (or any related service or management companies), suppliers and equipment lessors be and they are hereby restrained and enjoined from varying, amending, terminating, cancelling or breaching any agreements with Hyal. In addition, all Persons are enjoined from disturbing or interfering with utility services, including but not limited to the furnishing of fuel, gas, oil, heat, electricity, garbage collection (including biomedical or hazardous waste), water, cable television, computers, telephones, telecopiers (at former and present telephone numbers) or any other utilities of like kind, furnished up to the present date to Hyal in respect of any of the Assets. All Persons are hereby restrained and enjoined from terminating, determining or cancelling any agreements with, or cutting off, discontinuing or altering any such utilities or services to Hyal or the Receiver subject to the obligation of Hyal or the Receiver, as the case may be, to pay for such utilities or services provided to Hyal or the Receiver, as the case may be, subsequent to the occupation, by the Receiver, of the premises to which the utilities or services are supplied, except with the prior written consent of the Receiver or upon further order of this Honourable Court on at least seven (7) days' notice to the Receiver.

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11. THIS COURT ORDERS that, without limiting the generality of any of the provisions hereof, all Persons be enjoined and they are hereby restrained from interrupting, terminating, altering, delaying or suspending performance of, claiming any offset or deduction or diminution of liability or responsibility or in any way interfering with the payment and performance of any contracts, leases, agreements or arrangements, whether written or oral, or with payment of any monies due or to become due to Hyal; provided nothing herein shall be construed as: (a) prohibiting a person from requiring payments to be made in cash for goods, services, use of leased or licensed Assets or other valuable consideration in respect of obligations incurred after the date of this Order; or (b) requiring the further advance of money or credit.

12. THIS COURT ORDERS that all Persons shall continue to perform and observe all terms, conditions and provisions contained in any agreement with Hyal in respect of any of the Assets, subject to the obligation of the Receiver to pay for goods and services requested by the Receiver to be supplied to the Receiver, for the period commencing with the date of this Order, and all Persons are restrained from disturbing or otherwise interfering with the possession, use or occupation, as the case may be, by the Receiver of any Assets owned or leased by Hyal, subject to the obligation of the Receiver to pay rent or occupation rent, as the case may be, for the period commencing with the date of actual occupation, use or possession, as the case may be, of such Assets by the Receiver, but not arrears, at the rate presently payable by Hyal.

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13. THIS COURT ORDERS that when all or part of the Assets are sold or otherwise dealt with, Hyal shall join in and execute all necessary powers of attorney, conveyances, deeds and documents of whatsoever nature or form. For such purpose the Receiver is hereby authorized and empowered to execute such powers of attorney, agreements, conveyances, deeds, documents or instruments in the name of and on behalf of any of Hyal. Any such powers of attorney, conveyances, deeds or documents so executed by the Receiver shall have the same force and effect as if executed by Hyal.

14. THIS COURT ORDERS that the Receiver shall be entitled to sell, transfer or assign, whether on credit, by private tender, public auction or otherwise, any and all shares in Hyal notwithstanding any restrictions on such transfers contained in any shareholder agreement, articles of incorporation, by-laws, or otherwise.

15. THIS COURT ORDERS AND DECLARES that the employment of all employees of Hyal who were employed by Hyal at the date hereof are hereby terminated, and that the Receiver is not and shall not be deemed or considered to be a successor employer, sponsor or payor with respect to Hyal or any such employees under the *Canada Labour Code*, the *Labour Relations Act* (Ontario), the *Employment Standards Act* (Ontario), the *Pensions Benefits Act* (Ontario), or under any other provincial or federal legislation, regulation or rule of law or equity applicable to employees or pensions (collectively, "Labour Laws"), or any collective agreement, other contract or otherwise, notwithstanding that the Receiver may employ some or all of such employees in connection with the

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operation of Hyal's business in whole or in part while efforts are made to restructure or sell the same.

16. THIS COURT ORDERS that nothing herein contained shall vest in the Receiver the care, ownership, control, charge, occupation, possession or management (separately and/or collectively, "Possession"), or require or obligate the Receiver to occupy, or to take control, care, charge, possession or manage any of the Assets which may be environmentally contaminated or a pollutant or a contaminant or cause or contribute to a spill, discharge, release or deposit of a substance contrary to any legislation enacted for the protection or preservation of the environment including, without limitation, the *Canadian Environmental Protection Act*, the *Transportation of Dangerous Goods Act*, the *Environmental Protection Act*, (Ontario), the *Emergency Plans Act*, (1983) (Ontario), the *Ontario Water Resources Act*, the *Occupational Health and Safety Act* (Ontario) or the regulations thereunder, or any federal or provincial legislation, or rule of law or equity in any jurisdiction affecting the environment or the transportation of goods (collectively, "Environmental Laws" or "Environmental Liabilities"). The Receiver shall not be deemed as a result of this Order to be in Possession of any of the Assets within the meaning of any Environmental Laws.

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the fulfilment of its duties in carrying out the provisions of

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this Order, save and except that it shall be liable for gross negligence or wilful misconduct on its part.

18. THIS COURT ORDERS that any liability of the Receiver whatsoever, including in respect of any form of negligence and willful misconduct, whether in its personal capacity or in its capacity as Receiver and whether arising out of or from its appointment or the exercise of its powers hereunder, including without limitation, arising in connection with Environmental Laws or Labour Laws, shall be limited in the aggregate to the Net Realized Value of the Assets in the possession of the Receiver and, after distribution thereof, in respect of claims for gross negligence and wilful misconduct, only to the total assessed fees of the Receiver. "Net Realized Value of the Assets" shall be the cash proceeds actually received by the Receiver from the operation and the disposition of the Assets, after deducting all costs and expenses properly incurred in connection therewith, the remuneration and expenses of the Receiver, and the fees and disbursements of its counsel, and any monies borrowed by or other indebtedness incurred by the Receiver pursuant to this Order and all interest thereon paid out of such proceeds, and any distributions of such proceeds.

19. THIS COURT ORDERS that the Receiver be and it is hereby fully authorized and empowered, but not obligated, to initiate, prosecute and continue the prosecution of any and all actions, applications, administrative hearings, arbitrations or proceedings as may in its judgment be necessary or desirable to properly receive, manage, operate,

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preserve, protect or realize upon the Assets and to secure payment of rent and accounts from the Assets, to defend all applications, proceedings, actions, administrative hearings or arbitrations now pending or hereafter instituted against Hyal or the Receiver, the prosecution or defence of which will, in the judgment of the Receiver, be necessary to properly receive, manage, operate, protect, preserve or realize on the Assets or to protect the administration of the receivership, and to settle or compromise any such actions, applications, proceedings, administrative hearings or arbitrations which in the judgment of the Receiver should be settled or compromised. The authority hereby conveyed shall extend to such appeals or applications for judicial review as the Receiver shall deem proper and advisable in respect of any order or judgment pronounced in any such application, proceeding or action, administrative hearing or arbitration.

20. THIS COURT ORDERS that the Receiver shall be at liberty to appoint, employ or retain consultants, scientists, agents, employees, experts, auditors, accountants, managers, solicitors and counsel, including legal counsel and such other assistants from time to time and on whatever basis, including on a temporary basis, as it may consider necessary or desirable for receiving, managing, operating, preserving, protecting or realizing on the Assets, carrying on the business of Hyal or generally exercising the powers and duties conferred by this Order. Any expenditure which shall properly be made or incurred by the Receiver in so doing, including the fees of the Receiver and the fees and disbursements of its legal counsel on a solicitor and his own client basis, shall be allowed

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to it in passing its accounts and shall form a first charge on the Assets in priority to any charge, mortgage, lien, security interest or encumbrance on or in the Assets.

21. THIS COURT ORDERS that, without limiting the generality of any of the provisions hereof, the Receiver be empowered, with leave of this Honourable Court, to have any past or present officer, director or shareholder of Hyal, or any employee, accountant, auditor, or shareholder of Hyal, attend to be examined under oath by the Receiver concerning Hyal or any of the Assets.

22. THIS COURT ORDERS that any suppliers to Hyal who may have loaned equipment owned by such suppliers to Hyal, be and are hereby restrained and enjoined from removing any such equipment from premises owned, leased or occupied by Hyal, except on not less than sixty (60) days' prior written notice to the Receiver or upon further order of the Court.

23. THIS COURT ORDERS that the Receiver shall be entitled to appoint nominees of the Receiver to act as directors on the boards of directors of Hyal or Hyal's subsidiaries, and such nominees shall be deemed to be agents of the Receiver and shall have no personal liability in acting as a director except in respect of their own wilful misconduct.

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24. THIS COURT ORDERS that, forthwith upon the request of the Receiver, all employees, researchers, scientists, independent contractors and other persons supplying services to Hyal, in possession of any clinical results, studies, proposals, research, experimental results and specimens or tests at the time of the making of this Order, be and are hereby ordered to deliver such clinical results, studies, proposals, research, experimental results and specimens or tests to the laboratory or person of Hyal to, and on the terms of which, such clinical results, studies, proposals, research, experimental results and specimens or tests were to be delivered, and further that such persons shall continue to provide such services to the Receiver on the same terms as prior to the making of this Order in accordance with any existing agreement or arrangement, written or oral, in respect of the provision of such services.

25. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow, by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$1,500,000 (or such greater amount as this Court may by further Order authorize) at any time, as such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of exercising the powers and duties conferred by this Order, including interim expenditures. The whole of the Assets shall be charged by way of a fixed and specific charge as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, but subject to the right of the

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Receiver and its legal counsel to be indemnified from the Assets for their fees, disbursements, liabilities and expenses properly incurred.

26. THIS COURT ORDERS that any security granted by the Receiver in connection with its borrowings under this Order shall not be enforced without leave of this Court.

27. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

28. THIS COURT ORDERS that the Receiver be and it is hereby authorized in its discretion, to borrow on the security of Receiver's Certificates instead of selling any Receiver's Certificates, and in connection therewith to execute such hypothecations or pledges of Receiver's Certificates containing such provisions as it shall see fit.

29. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis.

30. THIS COURT ORDERS that the Receiver be and it is hereby authorized and empowered, for the purpose of exercising its power and duties under this Order, to apply

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for any permits, licences, approvals or permissions as may be required by any governmental or regulatory authority, and to participate in any administrative hearings or arbitrations with respect thereto.

31. THIS COURT ORDERS that prior to the passing of accounts, the Receiver shall be at liberty from time to time to apply a reasonable amount of the monies in its hands against its fees and disbursements, including reasonable legal fees and disbursements, incurred at the standard rates and charges for such services rendered either monthly or at such longer or shorter intervals as the Receiver deems appropriate, and such amounts shall constitute advances against its remuneration when fixed from time to time.

32. THIS COURT ORDERS THAT in the event there is insufficient funding available to the Receiver to perform all of its obligations hereunder or there is a determination by the Receiver that continuing to act as Receiver would be impractical or of no utility, leave is hereby granted to the Receiver to apply to this Court for an Order amending this Order, terminating its appointment as Receiver of the Assets, substituting some other party as Receiver or for such other Order as is just in the circumstances, such motion to be on such terms as to notice as this Court shall direct.

33. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered from time to time to apply to this Court for advice and directions in the discharge of its power and duties hereunder.

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34. THIS COURT ORDERS that, without limiting the generality of any of the provisions hereof, the Receiver be at liberty and is hereby authorized and empowered to apply, upon such notice as it may consider necessary or desirable, to any other Courts in any other jurisdiction, whether in Canada or elsewhere, for an order recognizing the appointment of the Receiver by this Court and confirming the powers of the Receiver in such other jurisdiction or jurisdictions or to take such steps, actions or proceedings as may be necessary or desirable for the receipt, preservation, protection and maintenance of the Assets, and all Courts of all other jurisdictions are hereby respectfully requested to make such orders and provide such other aid and assistance to the Receiver, as an officer of this Court, as they may deem necessary or appropriate in furtherance of this Order.

35. THIS COURT ORDERS that liberty is reserved to any interested party to apply to this Court on seven (7) days notice to the Receiver and SkyePharma for such further Order of this Court or for variation of this Order or otherwise as may be advised.

36. THIS COURT ORDERS that SkyePharma shall have its costs of this motion up to and including entry and service of this Order on a solicitor and client basis paid by the Receiver as a disbursement of the Receiver.

ENTERED AT/INSCRIT À TORONTO
ON/BOOK NO:
LE/DANS LE REGISTRE NO:

AUG 16 1999

PER/PAR:

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SCHEDULE "A"**RECEIVER CERTIFICATE NO.****AMOUNT \$●**

1. THIS IS TO CERTIFY that PricewaterhouseCoopers Inc., the receiver and manager (the "Receiver"), of all of the assets, property and undertaking of Hyal Pharmaceutical Corporation appointed by Order of the Superior Court of Justice (the "Court") dated the ● day of August, 1999 (the "Order") made in an application (the "Application") having court file number ●, has received as such Receiver from the holder of this certificate the principal sum of \$●, being part of the total principal sum of \$1,500,000 which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum of \$● evidenced by this certificate is payable on demand with interest thereon calculated and payable monthly not in advance on the ● day of each month after the date hereof at the rate per annum equal to the rate of ● per cent above the prime commercial lending rate of ● from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the assets, property and undertaking of Hyal, described in the Order, in priority to the security interests of the Plaintiff in the Action, but subject to the charges granted in favour of the Receiver and the right of the Receiver to indemnify itself out of such Assets.

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assets and undertaking in respect of its remuneration, expenses and legal costs properly incurred.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Receiver at Toronto, Ontario.
5. If default is made in payment of interest on this certificate and such default continues for a period of ten days, the principal amount evidenced by this certificate shall be immediately due and payable to the holder hereof.
6. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
7. The charge shall operate so as to permit the Receiver to deal with the undertaking, property and assets of Hyal described in the Order as authorized by the Order and as authorized by any further or other order of the Court.
8. The Receiver does not undertake, and it is not under any person liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

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