

12/21/04

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27760-500

Tab settings To the Honorable Commissioner of Pat.



original documents or copy thereof.

102911373

1. Name of conveying party(ies): ISIS PHARMACEUTICALS, INC. Additional name of conveying party(ies) attached? [] Yes [X] No

2. Name and address of receiving party(ies) Name: DRUG ROYALTY USA, INC. Street Address: Royal Bank Plaza, Suite 3120, South Tower Box 122, 200 Bay Street, Toronto, Ontario CANADA M5J 2J3 Additional Name(s) & address(es) attached? [] Yes [X] No

3. Nature of conveyance: [] Assignment [] Merger [X] Security Agreement [] Change of Name [] Other Execution Date: December 21, 2004

4. Application number(s) or patent number(s): If this document is being filed together with a new application, the execution data of the application is: A. Patent Application No.(s) B. Patent No.(s)

5,670,633 issued on Sept. 23, 1997 6,005,087 issued on December 21, 1999 6,531,584 issued on March 11, 2003 6,645,716 issued on November 11, 2003 6,069,243 issued on May 30, 2000

5. Name and address of party to whom correspondence concerning this document should be mailed: Name: Brian P. Hopkins, Esq. Street Address: Mintz Levin Cohn Ferris Glovsky and Popeo PC Chrysler Center, 666 Third Avenue, 24th Floor City: New York State: NY Zip: 10017

6. Total number of applications and patents involved: 14 7. Total fee (37 CFR 3.41) \$ 560.00 [X] Enclosed [X] Authorized to charge deposit account for any deficiencies or credit any over payment. 8. Deposit account number: 50-0311 (Attach duplicate copy of this page if paying by deposit account)

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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. Brian P. Hopkins, Reg. No. 42,669 Name of Person Signing

Signature Date 12/21/2004

Total number of pages including cover sheet, attachments, and documents: 9

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

Mail Stop: Assignment Recordation Services Director of the United States Patent and Trademark Office P.O. Box 1450, Alexandria, VA 22313-1450

12/27/2004 REGISTRATION 00000116 09996263

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PATENT REEL: 016105 FRAME: 0488

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

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

A. Patent Application No.(s)

B. Patent No.(s)

10/403,692 filed on March 31, 2003

10/679,805 filed on October 6, 2003

10/858,917 filed on June 2, 2004

EXHIBIT A

All of the Collateral as set forth herein and described in that certain Security Agreement, dated as of December 21, 2004 ("Security Agreement"), by and between ISIS Pharmaceuticals, Inc. (Debtor) and Drug Royalty USA, Inc. (Secured Party), including, but not limited to, all right, title and interest of Debtor in and to the following personal property, whether now or hereinafter existing, whether tangible or intangible, and wherever the same may be located:

(a) all right, title and interest (including rights acquired pursuant to a license or otherwise) in and to the patents listed on Schedule A-1 attached hereto ("Patents"), as the same may be amended from time to time, all rights corresponding thereto (including, without limitation, Debtor's rights under the McGill license and the right, exercisable only upon the occurrence and during the continuation of an event of default, to sue for past, present and future infringements in the name of Debtor or in the name of Secured Party), and all re-issues, re-examinations, divisions, continuations, renewals, extensions, continuations-in-part and foreign counterparts thereof ("Patent Collateral");

(b) that certain License Agreement, effective as of December 31, 2001, and as such agreement may be amended, restated, supplemented or otherwise modified from time to time ("License Agreement"), pursuant to which Debtor granted to Eyetech Pharmaceuticals, Inc. ("Eyetech") a non-exclusive license under the Licensed Patent Rights (as defined in the License Agreement) to make, have made, use and sell worldwide Eyetech's EYE001 NX1838 non-antisense therapeutic product (also known as Macugen) or any product containing the foregoing for the treatment of ophthalmic conditions, including any minor chemical modifications thereto ("Product"), including, without limitation, (i) all rights of Debtor to receive moneys due or to become due under or pursuant to the License Agreement, (ii) all rights of Debtor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect to the License Agreement, (iii) all claims of Debtor for damages arising out of any breach of or default under the License Agreement, and (iv) all rights of Debtor to terminate, amend, supplement, modify or exercise rights or options under the License Agreement, to perform thereunder and to compel performance and otherwise exercise all remedies thereunder;

(c) if any court or other tribunal of competent jurisdiction determines that the Assigned Rights (as described hereinbelow) or any of the payments with respect thereto do not constitute an outright sale of the Assigned Rights from Debtor to Secured Party and are otherwise determined to be property of Debtor or its bankruptcy estate, then all of Debtor's right, title and interest in and to the following rights under the License Agreement ("Assigned Rights"):

(i) the right to receive all of the royalties payable by Eyetech or its sublicensees to Debtor (as calculated in accordance with and as provided under the License Agreement) and any collections or recoveries received by Debtor or lump sum payments made by Eyetech or its sublicensees in lieu thereof, including in connection with any litigation to enforce the

License Agreement or the Licensed Patent Rights, as calculated in accordance with and as provided under that certain Agreement For Sale And Assignment Of Rights, dated as of December 21, 2004 by and between Debtor and Secured Party ("Sale Agreement");

(ii) the right to receive royalty statements, as provided under sections 4.1 and 8.4 of the License Agreement;

(iii) the right to audit certain records of Eyetech, as provided under sections 4.4 and 8.4 of the License Agreement; and

(iv) the right, upon the exercise of Secured Party of its rights under the Security Agreement, to exploit the Patents, the Licensed Patent Rights and/or the Product; and

(d) all proceeds, products, royalties, payments, property and license fees of or from any and all of the foregoing collateral and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is the loss payee thereof) or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral, excluding (i) all proceeds and other consideration arising under permitted licenses of the Patent Collateral and (ii) the milestone payments pursuant to Sections 3.1.1 and 3.1.2 of the License Agreement.

SCHEDULE A-1

This schedule sets forth a complete list of all patent applications and registered patents which, to the best of Isis' knowledge, comprise the Licensed Patent Rights as of the Effective Date. For greater certainty, the list below is deemed to include (a) the patent applications included therein (including provisional applications and applications for certificates of invention; (b) any patents issuing from such patent applications (including certificates of invention); (c) all patents and patent applications based on, corresponding to, or claiming the priority date(s) of any of the foregoing or the Dockets listed below; and (d) any substitutions, extensions (including supplemental protection certificates), registrations, confirmations, reissues, divisionals, continuations, re-examinations, renewals, and foreign counterparts thereof.

COMPOSITION OF MATTER PATENTS AND PATENT APPLICATIONS

<u>Docket #</u>	<u>Country/Treaty</u>	<u>Patent/ Application #</u>	<u>Title</u>	<u>Priority Date</u>	<u>Filing Date</u>	<u>Grant Date</u>	<u>Expiration</u>
ISIS-0062	CA	2,073,500	COMPOSITIONS AND METHODS FOR DETECTING AND MODULATING RNA ACTIVITY AND GENE EXPRESSION	1/11/1990	1/11/1991	NA	NA
ISIS-0387	CA	2,089,376	SUGAR MODIFIED OLIGONUCLEOTIDES THAT DETECT AND MODULATE GENE EXPRESSION	8/13/1990	8/12/1991	NA	NA
ISIS-0388	EPC	91915355.1	SUGAR MODIFIED OLIGONUCLEOTIDES THAT DETECT AND MODULATE GENE EXPRESSION	8/13/1990	8/12/1991	NA	NA
ISIS-0404	JP	2104052	SUGAR MODIFIED OLIGONUCLEOTIDES THAT DETECT AND MODULATE GENE EXPRESSION	8/13/1990	8/12/1991	11/6/1996	8/12/2011
ISIS-0407	US	5,670,633	SUGAR MODIFIED OLIGONUCLEOTIDES THAT DETECT AND MODULATE GENE EXPRESSION	8/13/1990	3/5/1992	9/23/1997	9/23/2014

<u>Docket #</u>	<u>Country/Treaty</u>	<u>Patent/ Application #</u>	<u>Title</u>	<u>Priority Date</u>	<u>Filing Date</u>	<u>Grant Date</u>	<u>Expiration</u>
ISIS-2826	US	6,005,087	EXPRESSION 2'-MODIFIED OLIGONUCLEOTIDES	1/11/1990	3/5/1998	12/21/1999	1/11/2010
ISIS-4099	US	6,531,584	2'MODIFIED OLIGONUCLEOTIDES	1/11/1990	9/02/1999	3/11/2003	1/11/2010
ISIS-4943	US	09/996,263	SUGAR MODIFIED OLIGONUCLEOTIDES	8/13/1990	11/28/2001	NA	NA
ISIS-5093	EPC	03078862.4	COMPOSITIONS AND METHODS FOR DETECTING AND MODULATING RNA ACTIVITY AND GENE EXPRESSION	1/11/1990	1/11/1991	NA	NA
ISIS-5137	US	10/352,586	2'-MODIFIED OLIGONUCLEOTIDES	1/11/1990	1/28/2003	NA	NA
ISIS-5354	EPC	04076246.0	SUGAR MODIFIED OLIGONUCLEOTIDES THAT DETECT AND MODULATE GENE EXPRESSION				
ISIS-5425	US	10/755,166	DERIVATIZED OLIGONUCLEOTIDES HAVING IMPROVED UPTAKE AND OTHER PROPERTIES	10/23/1992	1/9/2004	NA	NA
ISIS-5426	US	10/775,109	DERIVATIZED OLIGONUCLEOTIDES HAVING IMPROVED UPTAKE AND OTHER PROPERTIES	10/23/1992	1/9/2004	NA	NA

MANUFACTURING PATENTS AND PATENT APPLICATIONS

<u>Docket #</u>	<u>Country/Treaty</u>	<u>Patent/ Application #</u>	<u>Title</u>	<u>Priority Date</u>	<u>Filing Date</u>	<u>Grant Date</u>	<u>Expiration</u>
ISIS-3381	EPC	993070066.3	IMPROVED PROCESS FOR THE SYNTHESIS OF OLIGOMERIC COMPOUNDS	2/4/1999	9/6/1999	NA	NA

<u>Docket #</u>	<u>Country/ Treaty</u>	<u>Patent/ Application #</u>	<u>Title</u>	<u>Priority Date</u>	<u>Filing Date</u>	<u>Grant Date</u>	<u>Expiration</u>
ISIS-3400	JP	285519/99	IMPROVED PROCESS FOR THE SYNTHESIS OF OLIGOMERIC COMPOUNDS	2/4/1999	10/6/1999	NA	NA
ISIS-5080	US	10/232,181	IMPROVED PROCESS FOR THE SYNTHESIS OF OLIGOMERIC COMPOUNDS	2/4/1999	8/30/2002	NA	NA
ISIS-5422	US	10/760,940	IMPROVED PROCESS FOR THE SYNTHESIS OF OLIGOMERIC COMPOUNDS	2/4/1999	1/20/2004	NA	NA
ISIS-5488	US	TBD	IMPROVED PROCESS FOR THE SYNTHESIS OF OLIGOMERIC COMPOUNDS	2/4/1999	9/14/2004	NA	NA
ISIS-5190	US	10/403,692	CHLORAL-FREE DCA IN OLIGONUCLEOTIDE SYNTHESIS	4/1/2002	3/31/2003	NA	NA
ISIS-5191	PCT	PCT/US03/097 81	CHLORAL-FREE DCA IN OLIGONUCLEOTIDE SYNTHESIS	4/1/2002	4/1/2003	NA	NA
ISIS-5523	CA	TBD	CHLORAL-FREE DCA IN OLIGONUCLEOTIDE SYNTHESIS	4/1/2002	4/1/2003	NA	NA
ISIS-5524	EPC	TBD	CHLORAL-FREE DCA IN OLIGONUCLEOTIDE SYNTHESIS	4/1/2002	4/1/2003	NA	NA
ISIS-5021	US	6,645,716	METHODS FOR DETECTION OF CHLORAL HYDRATE IN DICHLOROACETIC ACID	1/30/2001	1/29/2002	11/11/2003	1/30/2022
ISIS-5215	China	02804271.9	METHODS FOR DETECTION OF CHLORAL HYDRATE IN DICHLOROACETIC ACID	1/30/2001	1/29/2002	NA	NA
ISIS-5216	EPC	02706042.5	METHODS FOR DETECTION OF CHLORAL HYDRATE IN DICHLOROACETIC ACID	1/30/2001	1/29/2002	NA	NA
ISIS-5236	India	TBD	METHODS FOR DETECTION OF CHLORAL HYDRATE IN DICHLOROACETIC ACID	1/30/2001	1/29/2002	NA	NA
ISIS-5237	S.Korea	10-2003- 7009988	METHODS FOR DETECTION OF CHLORAL HYDRATE IN	1/30/2001	1/29/2002	NA	NA

<u>Docket #</u>	<u>Country/ Treaty</u>	<u>Patent/ Application #</u>	<u>Title</u>	<u>Priority Date</u>	<u>Filing Date</u>	<u>Grant Date</u>	<u>Expiration</u>
ISIS-5245	US	10/679,805	DICHLOROACETIC ACID METHODS FOR DETECTION OF CHLORAL HYDRATE IN DICHLOROACETIC ACID	1/30/2001	10/6/2003	NA	NA
ISIS-3294	US	6,069,243	PROCESS FOR OLIGONUCLEOTIDE SYNTHESIS	10/6/1998	10/6/1999	5/30/2000	10/6/2019
ISIS-4216	EPC	1119578	PROCESS FOR OLIGONUCLEOTIDE SYNTHESIS	10/6/1998	10/1/1999	6/16/2004	10/6/2019
ISIS-4218	Belgium	1119578	PROCESS FOR OLIGONUCLEOTIDE SYNTHESIS	10/6/1998	10/1/1999	6/16/2004	10/6/2019
ISIS-4223	GB	1119578	PROCESS FOR OLIGONUCLEOTIDE SYNTHESIS	10/6/1998	10/1/1999	6/16/2004	10/6/2019
ISIS-4224	Germany	1119578	PROCESS FOR OLIGONUCLEOTIDE SYNTHESIS	10/6/1998	10/1/1999	6/16/2004	10/6/2019
ISIS-4234	Switzerland	1119578	PROCESS FOR OLIGONUCLEOTIDE SYNTHESIS	10/6/1998	10/1/1999	6/16/2004	10/6/2019
ISIS-4233	Sweden	1119578	PROCESS FOR OLIGONUCLEOTIDE SYNTHESIS	10/6/1998	10/1/1999	6/16/2004	10/6/2019
DVCM0003 US	US	10/858,917	OLIGONUCLEOTIDE SYNTHESIS WITH ALTERNATIVE SOLVENTS	6/2/2003	6/2/2004	NA	NA
DVCM0003 WO	PCT	PCT/US2004/0 17083	OLIGONUCLEOTIDE SYNTHESIS WITH ALTERNATIVE SOLVENTS	6/2/2003	6/2/2004	NA	NA

EXHIBIT A

This UCC is being filed not with the intention of creating and perfecting a security interest in the Assigned Rights (as defined below), but for the purpose of providing notice of the outright sale of such Assigned Rights (including proceeds thereof) by ISIS Pharmaceuticals, Inc. (Seller) to Drug Royalty USA, Inc. (Purchaser), pursuant to that certain Agreement For Sale And Assignment Of Rights, dated as of December 21, 2004 by and between Seller and Purchaser ("Sale Agreement").

The Assigned Rights include, but are not limited to, all of Seller's right, title and interest in and to the following rights, including accounts and general intangibles but excluding the "ISIS Rights" (as defined in the Sale Agreement), under that certain License Agreement, effective as of December 31, 2001, and as such agreement may be amended, restated, supplemented or otherwise modified from time to time ("License Agreement"), pursuant to which Seller granted to Eyetech Pharmaceuticals, Inc. ("Eyetech") a non-exclusive license under the Licensed Patent Rights (as defined in the License Agreement) to make, have made, use and sell world-wide Eyetech's EYE001 NX1838 non-antisense therapeutic product (also known as Macugen) or any product containing the foregoing for the treatment of ophthalmic conditions, including any minor chemical modifications thereto ("Product"):

- (i) the right to receive certain of the royalties payable by Eyetech or its sublicensees to Seller (as calculated in accordance with and as provided under the License Agreement) and any collections or recoveries received by Seller or lump sum payments made by Eyetech or its sublicensees in lieu thereof, including in connection with any litigation to enforce the License Agreement or the Licensed Patent Rights, as calculated in accordance with and as provided under the Sale Agreement;
- (ii) the right to receive royalty statements, as provided under sections 4.1 and 8.4 of the License Agreement; and
- (iii) the right to audit certain records of Eyetech, as provided under sections 4.4 and 8.4 of the License Agreement.

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