

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
Galileo Pharmaceuticals, Inc.	12/22/2005

RECEIVING PARTY DATA

Name:	Alloy Ventures, Inc.
Street Address:	400 Hamilton Avenue, 4th Floor
City:	Palo Alto
State/Country:	CALIFORNIA
Postal Code:	94301

PROPERTY NUMBERS Total: 12

Property Type	Number
Patent Number:	6916850
Patent Number:	6900218
Patent Number:	6667330
Patent Number:	6653346
Patent Number:	6608196
Patent Number:	6750247
Patent Number:	6528042
Patent Number:	6426362
Patent Number:	6232060
Patent Number:	5801159
Patent Number:	5728550
Patent Number:	5670357

CORRESPONDENCE DATA

Fax Number: (650)324-0638

500067389

PATENT
REEL: 016937 FRAME: 0001

CH \$480.00 6916850

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 650 324-7000
Email: smanibusan@hewm.com
Correspondent Name: Paul Davis
Address Line 1: 275 Middlefield Road
Address Line 4: Menlo Park, CALIFORNIA 94025

ATTORNEY DOCKET NUMBER:

DAVID SIKES

NAME OF SUBMITTER:

Paul Davis

Total Attachments: 25

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SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of December 22, 2005 (this "*Security Agreement*"), is made by and among Galileo Pharmaceuticals, Inc., a California corporation ("*Grantor*"), the secured parties listed on the signature pages hereto (each, a "*Secured Party*" and, collectively, the "*Secured Parties*") and Alloy Ventures, Inc., in its capacity as Collateral Agent (as defined below) on behalf of the Secured Parties.

RECITALS

A. Each Secured Party has made and has agreed to make certain advances of money and to extend certain financial accommodation to Grantor as evidenced by those certain Secured Convertible Promissory Notes executed by Grantor in favor of each Secured Party and such other Secured Convertible Promissory Notes which may be executed by Grantor in favor of each Secured Party after the date hereof (each, a "*Note*" and, collectively, the "*Notes*") pursuant to the terms of that certain Secured Note Purchase Agreement dated December __, 2005 by and between Grantor and the Secured Parties (the "*Purchase Agreement*"), such advances and financial accomodation being referred to herein as the "*Loans*".

B. The Secured Parties are willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall have executed and delivered to the Secured Parties this Security Agreement.

AGREEMENT

NOW, THEREFORE, in order to induce the Secured Parties to make the Loans and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, Grantor hereby represents, warrants, covenants and agrees as follows:

1. **DEFINED TERMS.** When used in this Security Agreement the following terms shall have the following meanings (such meanings being equally applicable to both the singular and plural forms of the terms defined). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the UCC, the Purchase Agreement and in the Notes.

"*Bankruptcy Code*" means Title XI of the United States Code.

"*Collateral*" means the property described on **Schedule A** attached hereto.

"*Event of Default*" shall have the meaning set forth in the Notes, and shall also include the failure of Grantor to pay any fees, costs and expenses of the Collateral Agent under **Section 4(c)** hereof.

"*Lien*" means any mortgage, lien, deed of trust, charge, pledge, security interest or other encumbrance.

“Majority Lenders” means any Secured Party or group of Secured Parties holding greater than sixty-six and 2/3 percent (66 2/3%) of the outstanding and unpaid principal under all Loans of all Secured Parties.

“Permitted Lien” means: (a) any Liens existing on the date of this Security Agreement and set forth on Schedule B attached hereto; (b) Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings; (c) Liens upon or in any Equipment acquired or held by Grantor to secure the purchase price of such Equipment or indebtedness incurred solely for the purpose of financing the acquisition of such Equipment; (d) leases or subleases and licenses or sublicenses granted to others in the ordinary course of Grantor’s business if such are otherwise permitted under this Security Agreement and do not interfere in any material respect with the business of Grantor; (e) any right, title or interest of a licensor under a license provided that such license or sublicense does not prohibit the grant of the security interest granted hereunder; (f) easements, reservations, rights-of-way, restrictions, minor defects or irregularities in title and other similar Liens affecting real property not interfering in any material respect with the ordinary conduct of the business of Grantor; (g) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods; (h) Liens arising solely by virtue of any statutory or common law provision relating to banker’s liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; (i) Liens on equipment and other personal property (including proceeds thereof and accessions thereto) securing capital or operating lease obligations, including without limitation sale and lease-back transactions; and (j) Liens, not otherwise permitted, which Liens do not in the aggregate exceed \$50,000 at any one time.

“Pro Rata” means, as to any Secured Party at any time, the percentage equivalent at such time of such Secured Party’s aggregate unpaid principal amount of Loans, divided by the combined aggregate unpaid principal amount of all Loans of all Secured Parties.

“Secured Obligations” means (a) the obligation of Grantor to repay the Secured Parties all of the unpaid principal amount of, and accrued interest on (including any interest that accrues after the commencement of bankruptcy), the Loans and (b) the obligation of Grantor to pay any fees, costs and expenses of the Collateral Agent under **Section 4(c)** hereof.

“Security Agreement” means this Security Agreement and all Schedules hereto, as the same may from time to time be amended, modified, supplemented or restated.

“UCC” means the Uniform Commercial Code as the same may from time to time be in effect in the State of California (and each reference in this Security Agreement to an Article thereof (denoted as a Division of the UCC as adopted and in effect in the State of California) shall refer to that Article (or Division, as applicable) as from time to time in effect, which in the case of Article 9 shall include and refer to Revised Article 9 from and after the date Revised Article 9 shall become effective in the State of California); *provided, however*, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of the Secured Parties’ security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of California, the term **“UCC”** shall mean the Uniform Commercial Code (including the Articles thereof) as in effect at such

time in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

In addition, the following terms shall be defined terms having the meaning set forth for such terms in the UCC: "Commodity Account", "Deposit Account", "Equipment", "Fixtures", "Inventory", and "Securities Account".

(a) **GRANT OF SECURITY INTEREST.** As collateral security for the full, prompt, complete and final payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all the Secured Obligations and in order to induce the Secured Parties to cause the Loans to be made, Grantor hereby grants, assigns, conveys, mortgages, pledges, hypothecates and transfers to the Collateral Agent, on behalf of the Secured Parties, a security interest in all of Grantor's right, title and interest in, to and under the Collateral, whether now owned or hereafter acquired provided, however, that notwithstanding the foregoing, the grant, assignment and transfer of a security interest as provided herein shall not extend to, and the term "Collateral" shall not include: (a) "intent-to-use" trademarks at all times prior to the first use thereof, whether by the actual use thereof in commerce, the recording of a statement of use with the United States Patent and Trademark Office or otherwise or (b) any contract, instrument or chattel paper in which Grantor has any right, title or interest if and to the extent such contract, instrument or chattel paper includes a provision containing a restriction on assignment such that the creation of a security interest in the right, title or interest of Grantor therein would be prohibited and would, in and of itself, cause or result in a default thereunder enabling another person party to such contract, instrument or chattel paper to enforce any remedy with respect thereto; provided that the foregoing exclusion shall not apply if (i) such prohibition has been waived or such other person has otherwise consented to the creation hereunder of a security interest in such contract, instrument or chattel paper or (ii) such prohibition would be rendered ineffective pursuant to Sections 9-407(a) or 9-408(a) of the UCC, as applicable and as then in effect in any relevant jurisdiction, or any other applicable law (including the Bankruptcy Code) or principles of equity); provided further that immediately upon the ineffectiveness, lapse or termination of any such provision, the Collateral shall include, and Grantor shall be deemed to have granted a security interest in, all its rights, title and interests in and to such contract, instrument or chattel paper as if such provision had never been in effect; and provided further that the foregoing exclusion shall in no way be construed so as to limit, impair or otherwise affect any Secured Party's unconditional continuing security interest in and to all rights, title and interests of Grantor in or to any payment obligations or other rights to receive monies due or to become due under any such contract, instrument or chattel paper and in any such monies and other proceeds of such contract, instrument or chattel paper.

2. REPRESENTATIONS AND WARRANTIES. Grantor hereby represents and warrants to the Secured Parties that:

(a) Except for the security interest granted to the Secured Parties and the Collateral Agent under this Security Agreement and Permitted Liens, Grantor is the sole legal and equitable owner of each item of the Collateral in which it purports to grant a security interest hereunder.

(b) No effective security agreement, financing statement, equivalent security or lien instrument or continuation statement covering all or any part of the Collateral exists, except such as may have been filed by Grantor in favor of the Secured Parties and the Collateral Agent pursuant to this Security Agreement and except for Permitted Liens.

(c) This Security Agreement creates a legal and valid security interest on and in all of the Collateral in which Grantor now has rights.

(d) Grantor's taxpayer identification number is, and chief executive office, principal place of business, and the place where Grantor maintains its records concerning the Collateral are presently located at the address set forth on the signature page hereof. The Collateral, other than Deposit Accounts, Securities Accounts, Commodity Accounts and motor vehicles and other mobile goods of the type contemplated in Section 9103(3)(a) of the UCC, is presently located at such address and at such additional addresses set forth on **Schedule C** attached hereto.

3. COVENANTS. Unless the Collateral Agent otherwise consents (which consent shall not be unreasonably withheld), Grantor covenants and agrees with the Secured Parties that from and after the date of this Security Agreement and until the Secured Obligations have been performed and paid in full:

3.1 Disposition of Collateral. Grantor shall not sell, lease, transfer or otherwise dispose of any of the Collateral (each, a "**Transfer**"), or attempt or contract to do so, other than (a) the sale of Inventory in the ordinary course of business, (b) the granting of licenses in the ordinary course of business and (c) the disposal of worn-out or obsolete Equipment and (d) Transfers of Equipment for fair market value as determined by Grantor in its good faith business judgment, not exceeding \$25,000 in the aggregate in any given fiscal year.

3.2 Change of Jurisdiction of Organization, Relocation of Business. Grantor shall not change its jurisdiction of organization or relocate its chief executive office, principal place of business or its records from such address(es) provided to the Secured Parties pursuant to **Section 2(d)** above without notice to the Secured Parties.

3.3 Limitation on Liens on Collateral. Grantor shall not, directly or indirectly, create, permit or suffer to exist, and shall defend the Collateral against and take such other action as is necessary to remove, any Lien on the Collateral, except (a) Permitted Liens and (b) the Lien granted to the Secured Parties under this Security Agreement.

3.4 Insurance. Grantor shall maintain insurance policies insuring the Collateral against loss or damage from such risks and in such amounts and forms and with such companies as are customarily maintained by businesses similar to Grantor.

3.5 Taxes, Assessments, Etc. Grantor shall pay promptly when due all property and other taxes, assessments and government charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Equipment, Fixtures or Inventory, except to the extent the validity or amount thereof is being contested in good faith and adequate reserves are being maintained in connection therewith.

3.6 Further Assurances. At any time and from time to time, upon the written request of the Collateral Agent, and at the sole expense of Grantor, Grantor shall promptly and duly execute and deliver any and all such further instruments and documents and take such further action as the Collateral Agent may reasonably deem necessary or desirable to obtain the full benefits of this Security Agreement, including, without limitation, executing, delivering and causing to be filed any financing or continuation statements (including "in lieu" continuation statements) under the UCC with respect to the security interests granted hereby. Grantor also hereby authorizes the Collateral Agent to file any such financing or continuation statement (including "in lieu" continuation statements) without the signature of Grantor.

4. RIGHTS AND REMEDIES UPON DEFAULT. Beginning on the date on which any Event of Default shall have occurred and while such Event of Default is continuing:

(a) The Collateral Agent, on behalf of the Secured Parties, may exercise in addition to all other rights and remedies granted to it under this Security Agreement and the Purchase Agreement, all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, Grantor expressly agrees that in any such event the Collateral Agent, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Grantor or any other person, may (i) reclaim, take possession, recover, store, maintain, finish, repair, prepare for sale or lease, shop, advertise for sale or lease and sell or lease (in the manner provided herein) the Collateral, (ii) forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and may forthwith sell, lease, assign, give an option or options to purchase or sell or otherwise dispose of and deliver said Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sale or sales, at any exchange or broker's board or at any Secured Party's offices or elsewhere at such prices as it may deem commercially reasonable, for cash or on credit or for future delivery without assumption of any credit risk. Grantor further agrees, at the Collateral Agent's request, to assemble its Collateral and make it available to the Collateral Agent at places which the Collateral Agent shall reasonably select, whether at Grantor's premises or elsewhere. The Collateral Agent shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale as provided in **Section 4(e)**, below, with Grantor remaining liable for any deficiency remaining unpaid after such application. Grantor agrees that the Collateral Agent need not give more than twenty (20) days' notice of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matters.

(b) As to any Collateral constituting certificated securities or uncertificated securities, if, at any time when the Collateral Agent shall determine to exercise its right to sell the whole or any part of such Collateral hereunder, such Collateral or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under Securities Act of 1933, as amended (as so amended the "**Act**"), the Collateral Agent may, in its discretion (subject only to applicable requirements of law), sell such Collateral or part thereof by private sale in such manner and under such circumstances as the Collateral Agent may deem necessary or advisable, but subject to the other requirements of this **Section 4(b)**, and shall not be required to effect such registration or cause the same to be effected. Without limiting the generality of the foregoing, in any such event the Collateral Agent may, in its discretion, (i) in accordance with applicable securities laws, proceed to make such private sale notwithstanding that a registration statement

for the purpose of registering such Collateral or part thereof could be or shall have been filed under the Act; (ii) approach and negotiate with a single possible purchaser to effect such sale; and (iii) restrict such sale to a purchaser who will represent and agree that such purchaser is purchasing for its own account, for investment, and not with a view to the distribution or sale of such Collateral or part thereof. In addition to a private sale as provided above in this **Section 4(b)**, if any of such Collateral shall not be freely distributable to the public without registration under the Act at the time of any proposed sale hereunder, then the Collateral Agent shall not be required to effect such registration or cause the same to be effected but may, in its discretion (subject only to applicable requirements of law), require that any sale hereunder (including a sale at auction) be conducted subject to such restrictions as the Collateral Agent may, in its discretion, deem necessary or appropriate in order that such sale (notwithstanding any failure so to register) may be effected in compliance with the Bankruptcy Code and other laws affecting the enforcement of creditors' rights and the Act and all applicable state securities laws.

(c) Grantor also agrees to pay all fees, costs and expenses of the Collateral Agent, including, without limitation, reasonable attorneys' fees, incurred in connection with the enforcement of any of its rights and remedies hereunder.

(d) Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Security Agreement or any Collateral.

(e) The Proceeds of any sale, disposition or other realization upon all or any part of the Collateral shall be distributed by the Collateral Agent in the following order of priorities:

FIRST, to the Collateral Agent and any Secured Party in an amount sufficient to pay in full the reasonable costs of the Collateral Agent or such Secured Party in connection with such sale, disposition or other realization, including all fees, costs, expenses, liabilities and advances incurred or made by the Collateral Agent or any Secured Party in connection therewith, including, without limitation, reasonable attorneys' fees;

SECOND, to the Secured Parties in amounts proportional to the Pro Rata share of the then unpaid Secured Obligations of each Secured Party; and

FINALLY, upon payment in full of the Secured Obligations, to Grantor or its representatives, in accordance with the UCC or as a court of competent jurisdiction may direct.

5. COLLATERAL AGENT.

5.1 Appointment. The Secured Parties hereby appoint Alloy Ventures, Inc., as the "**Collateral Agent**" for the Secured Parties under this Security Agreement to serve from the date hereof until the termination of this Security Agreement. Notwithstanding anything to the contrary in this Security Agreement, the Collateral Agent may be removed or replaced with the written consent of the Majority Lenders.

5.2 Powers and Duties of Collateral Agent, Indemnity by Secured Parties.

(a) Each Secured Party hereby irrevocably authorizes the Collateral Agent to take all actions, to make all decisions and to exercise all powers and remedies on its behalf under the provisions of this Security Agreement, including without limitation all such actions, decisions and powers as are reasonably incidental thereto. The Collateral Agent may execute any of its duties hereunder by or through agents, designees or employees.

(b) Neither the Collateral Agent nor any of its partners, directors, members, officers, agents, designees or employees (collectively, "**Indemnified Persons**") shall be liable or responsible to any Secured Party for any action taken or omitted to be taken by Collateral Agent or any other such Indemnified Persons hereunder or under any related agreement, instrument or document, nor shall any Indemnified Person be liable or responsible to the Secured Parties for (i) the validity, effectiveness, sufficiency, enforceability or enforcement of the Notes, this Security Agreement or any instrument or document delivered hereunder or relating hereto or thereto; (ii) the title of Grantor to any of the Collateral or the freedom of any of the Collateral from any prior or other liens or security interests; (iii) the determination, verification or enforcement of Grantor's compliance with any of the terms and conditions of this Security Agreement; (iv) the failure by Grantor to deliver any instrument, agreement, financing statement or other document required to be delivered pursuant to the terms hereof; or (v) the receipt, disbursement, waiver, extension or other handling of payments or proceeds made or received with respect to the Collateral, the servicing of the Collateral or the enforcement or the collection of any amounts owing with respect to the Collateral.

(c) Each of the Secured Parties agrees to pay to the Collateral Agent, promptly on demand, its Pro Rata share of all fees, taxes and expenses incurred in connection with the operation and enforcement of this Security Agreement, the Notes or any related agreement or document. Each of the Secured Parties hereby agrees to hold the Collateral Agent harmless, and to indemnify the Indemnified Persons from and against any and all loss, damage, taxes, expense or liability which may be incurred by such Indemnified Persons under this Security Agreement and the transactions contemplated hereby and any related agreement or other instrument or document, as the case may be, unless such liability shall be caused by the willful misconduct or gross negligence of such Indemnified Persons.

5.3 No Reliance. Each Secured Party represents to the Collateral Agent that it has made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and credit worthiness of the Grantor, and made its own decision to enter into this Security Agreement and to extend credit to the Grantor independently based on such documents and information as it has deemed appropriate and without reliance upon the Collateral Agent or any of its partners, directors, members, officers, agents, designees or employees. Each Secured Party agrees that the Collateral Agent shall not have any duty or responsibility to provide any Secured Party with any credit or other information concerning the business, prospects, operations, property, financial and other condition or credit worthiness of the Grantor.

6. INDEMNITY. Grantor agrees to defend, indemnify and hold harmless the Collateral Agent and the Secured Parties and their partners, directors, members, officers, agents,

designees or employees against (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this Security Agreement and (b) all losses or expenses in any way suffered, incurred, or paid by any Secured Party as a result of or in any way arising out of, following or consequential to transactions between or among the Collateral Agent, any Secured Party and Grantor, whether under this Security Agreement or otherwise (including without limitation, reasonable attorneys fees and expenses), except for losses arising from or out of the gross negligence or willful misconduct of the Collateral Agent or such Secured Party, as applicable.

7. REINSTATEMENT. This Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Grantor for liquidation or reorganization, should Grantor become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of Grantor's property and assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

8. MISCELLANEOUS.

8.1 Waivers; Amendments. Any amendment of the Notes, Purchase Agreement or this Security Agreement shall require the written consent of the Grantor, the Collateral Agent and the Majority Lenders. Notwithstanding the foregoing, the consent of each affected Secured Party shall be necessary to do the following to any Note:

(a) reduce the percentage of the principal and interest amount of Loans whose holders must consent to constitute Majority Lenders' consent;

(b) reduce the rate of or change the time for payment of interest on any Loan;
or

(c) reduce the principal of or change the fixed maturity of any Loan.

Each Secured Party acknowledges that because this Security Agreement may be amended with the consent of the Majority Lenders, each Secured Party's rights hereunder may be amended or waived without such Secured Party's consent.

8.2 Termination of this Security Agreement. Subject to **Section 7** hereof, this Security Agreement shall terminate upon the payment and performance in full of the Secured Obligations.

8.3 Successor and Assigns. This Security Agreement and all obligations of Grantor hereunder shall be binding upon the successors and assigns of Grantor, and shall, together with the rights and remedies of the Secured Parties hereunder, inure to the benefit of the

Secured Parties, any future holder of any of the indebtedness and their respective successors and assigns. No sales of participations, other sales, assignments, transfers or other dispositions of any agreement governing or instrument evidencing the Secured Obligations or any portion thereof or interest therein shall in any manner affect the lien granted to the Secured Parties hereunder.

8.4 Governing Law. In all respects, including all matters of construction, validity and performance, this Security Agreement and the Secured Obligations arising hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of California applicable to contracts made and performed in such state, without regard to the principles thereof regarding conflict of laws, except to the extent that the UCC provides for the application of the law of a different jurisdiction.


[Signature pages follow.]

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

ADDRESS OF GRANTOR

Galileo Pharmaceuticals, Inc.
5301 Patrick Henry Drive
Santa Clara, CA USA 95054

**GALILEO PHARMACEUTICALS, INC. , as
Grantor**



Lloyd Kunimoto
President

**TAXPAYER IDENTIFICATION NUMBER OF
GRANTOR**

**JURISDICTION OF ORGANIZATION OF
GRANTOR**

California

**ALLOY VENTURES, INC., as Collateral Agent
and Secured Party**

By: _____

Printed Name: _____

Title: _____

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

ADDRESS OF GRANTOR

**GALILEO PHARMACEUTICALS, INC. , as
Grantor**

Galileo Pharmaceuticals, Inc.
5301 Patrick Henry Drive
Santa Clara, CA USA 95054

Lloyd Kunimoto
President

**TAXPAYER IDENTIFICATION NUMBER OF
GRANTOR**

**JURISDICTION OF ORGANIZATION OF
GRANTOR**

California

**ALLOY VENTURES, INC., as Collateral Agent
and Secured Party**

By: 

Printed Name: Tony Di Bona

Title: Chief Financial Officer

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

SECURED PARTY:

Alloy Ventures 2000, LP
Alloy Corporate 2000, LP
Alloy Investors 2000, LP
Alloy Partners 2000, LP

(entity name, if applicable)

Signature: _____



Managing Member of Alloy Ventures 2000, LLC the
general partner of Alloy Partners 2000, L.P., Alloy Ventures 2000, L.P.,
Alloy Corporate 2000, L.P., Alloy Investors 2000, L.P.

(if applicable)

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

SECURED PARTY:

The Bay City Capital Fund II L.P.
Bay City Capital Management II, LLC
Its: General Partner
(entity name, if applicable)

Signature: Fred Craves

Print Name: Fred Craves

Title: Manager and Managing Director
(if applicable)

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

SECURED PARTY: The North American Nutrition & Agribusiness Fund, L.P.
By: NANA Management, L.P.
Its: General Partner
By: Bay City Capital LLC
Its: Advisor and Attorney-In-Fact
(entity name, if applicable)

Signature: Fred Craves


Print Name: Fred Craves

Title: Chief Investment Officer
(if applicable)

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

SECURED PARTY:

Novartis BioVentures Ltd.
(entity name, if applicable)

Signature: 

Print Name: Emil Bock

Title: Member of the Board of Directors
(if applicable)

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

SECURED PARTY: L.V. L.P.
Wint Solheim Place
Northborough & Queens Street
P.O. Box 1-2026

(entity name, if applicable)

Nissan, The Patrons

Signature: _____

Print Name: _____

Title: _____

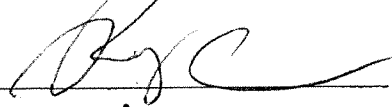
(if applicable)

By: Invenages Venture
Capital Investments Inc.
its: General Partner

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

SECURED PARTY:

Johnson & Johnson Development Corporation
(entity name, if applicable)

Signature: 

Print Name: Roy Cosan

Title: Vice President
(if applicable)

SCHEDULE A
COLLATERAL DESCRIPTION

All personal property of Grantor (herein referred to as "Debtor") whether presently existing or hereafter created or acquired, and wherever located, including, but not limited to:

(a) all accounts (including health-care-insurance receivables), chattel paper (including tangible and electronic chattel paper), deposit accounts, documents (including negotiable documents), equipment (including all accessions and additions thereto), general intangibles (including payment intangibles and software), goods (including fixtures), instruments (including promissory notes), inventory (including all goods held for sale or lease or to be furnished under a contract of service, and including returns and repossessions), investment property (including securities and securities entitlements), letter of credit rights, money, and all of Debtor's books and records with respect to any of the foregoing, and the computers and equipment containing said books and records; and

(b) any and all cash proceeds and/or noncash proceeds of any of the foregoing, including, without limitation, insurance proceeds, and all supporting obligations and the security therefor or for any right to payment. All terms above have the meanings given to them in the California Uniform Commercial Code, as amended or supplemented from time to time, including revised Division 9 of the Uniform Commercial Code-Secured Transactions, added by Stats. 1999, c.991 (S.B. 45), Section 35, operative July 1, 2001.

Notwithstanding the foregoing, the term "Collateral" shall not include: (a) "intent-to-use" trademarks at all times prior to the first use thereof, whether by the actual use thereof in commerce, the recording of a statement of use with the United States Patent and Trademark Office or otherwise or (b) any contract, instrument or chattel paper in which Debtor has any right, title or interest if and to the extent such contract, instrument or chattel paper includes a provision containing a restriction on assignment such that the creation of a security interest in the right, title or interest of Debtor therein would be prohibited and would, in and of itself, cause or result in a default thereunder enabling another person party to such contract, instrument or chattel paper to enforce any remedy with respect thereto; provided that the foregoing exclusion shall not apply if (i) such prohibition has been waived or such other person has otherwise consented to the creation hereunder of a security interest in such contract, instrument or chattel paper or (ii) such prohibition would be rendered ineffective pursuant to Sections 9-407(a) or 9-408(a) of the UCC, as applicable and as then in effect in any relevant jurisdiction, or any other applicable law (including the Bankruptcy Code) or principles of equity); provided further that immediately upon the ineffectiveness, lapse or termination of any such provision, the Collateral shall include, and Debtor shall be deemed to have granted a security interest in, all its rights, title and interests in and to such contract, instrument or chattel paper as if such provision had never been in effect; and provided further that the foregoing exclusion shall in no way be construed so as to limit, impair or otherwise affect any Secured Party's unconditional continuing security interest in and to all rights, title and interests of Debtor in or to any payment obligations or other rights to receive monies due or to become due under any such contract, instrument or chattel paper and in any such monies and other proceeds of such contract, instrument or chattel paper.

SCHEDULE B**LIENS EXISTING ON THE DATE OF THIS SECURITY AGREEMENT**

FILE NO./ DATE FILED	SECURED PARTY
03-27460196 09/29/2003	Venture Banking Group, a division of Cupertino National Bank
04-03760004 02/04/2004	General Electric Capital Corporation
04-0376006 02/04/2004	General Electric Capital Corporation
04-10060177 04/01/2004	General Electric Capital Corporation
04-19060281 06/30/2004	General Electric Capital Corporation
04-7009209667 12/21/2004	De Lage Landen Financial Services, Inc.
05-7024925559 04/29/2005	Thermo Electron Financial Services Inc.

SCHEDULE C

LOCATION OF COLLATERAL

ENTITY

ADDRESS

SUMMARY OF DUE DILIGENCE
Galileo Pharmaceuticals, Inc.
(305062-100)

UCC Search: Galileo Pharmaceuticals
Jurisdiction: California (through 9/22/2005)

FILE NO./ DATE FILED	SECURED PARTY	COLLATERAL/ COMMENTS
02-09360610 04/02/2002	Transamerica Technology Finance Corporation	Equipment (includes proceeds) references IL UCC Code
03-27460196 09/29/2003	Venture Banking Group, a division of Cupertino National Bank	CD account #203005538
04-03760004 02/04/2004	General Electric Capital Corporation	Equipment and other personal property (includes proceeds or revenue)
04-0376006 02/04/2004	General Electric Capital Corporation	Equipment (includes proceeds)
04-10060177 04/01/2004	General Electric Capital Corporation	Equipment (includes proceeds)
04-19060281 06/30/2004	General Electric Capital Corporation	Equipment (includes proceeds)
04-7009209667 12/21/2004	De Lage Landen Financial Services, Inc.	Specific equipment (includes proceeds)
05-7024925559 04/29/2005	Thermo Electron Financial Services Inc.	Specific equipment

UCC Search: Galileo Laboratories
Jurisdiction: California (through 9/28/2005)

FILE NO./ DATE FILED	SECURED PARTY	COLLATERAL/ COMMENTS
02-08060777 03/21/2002	Transamerica Technology Finance Corporation	Equipment (includes proceeds) references IL UCC Code
02-09360610 04/02/2002	Transamerica Technology Finance Corporation	duplicate hit (see Galileo Pharmaceuticals)

TRADEMARK APPLICATIONS

Jurisdiction: U. S. Patent & Trademark Office

Company: Galileo Pharmaceuticals, Galileo Laboratories

APP. NO./ DATE FILED	TITLE	ASSIGNMENT/ STATUS INFORMATION
78552983 January 24, 2005	G	no security agreements
78555930 January 28, 2005	GALILEO	no security agreements
78229917 March 25, 2003	GALILEO PHARMACEUTICALS	no security agreements
78229920 March 25, 2003	GALILEOPHARMA	no security agreements
76354626 January 3, 2002	GALILEO	no security agreements

APP. NO./ DATE FILED	TITLE	ASSIGNMENT/ STATUS INFORMATION
76354629 January 3, 2002	REDOXOPHORE	Abandoned
76354678 January 3, 2002	GALILEO LABORATORIES	Abandoned
78229926 March 25, 2003	GP	Abandoned
78229922 March 25, 2003	GP GALILEOPHARMA	Abandoned
75924142 February 22, 2000	G GALILEO	Abandoned
75927768 February 22, 2000	G	Abandoned
76365626 February 1, 2002	H CORE	Abandoned
76354835 January 3, 2002	DERMATOPHORE	Abandoned
75731726 June 18, 1999	NUTRAPHONE	Abandoned
76180449 December 13, 2000	GALILEO NUTRITION	Abandoned
76183028 December 18, 2000	(DESIGN)	Abandoned
76183043 December 18, 2000	EVIVE	Abandoned
76354627 January 3, 2002	COSMETOPHONE	Abandoned
76354628 January 3, 2002	COSMOPHONE	Abandoned
76368402 February 7, 2002	E-VIVE	Abandoned

ISSUED PATENTS

Jurisdiction: U. S. Patent & Trademark Office

Companies: Galileo Pharmaceuticals, Galileo Laboratories

REG. NO.	PATENT TITLE	STATUS
6916850	Pyruvate derivatives	Galileo Pharmaceuticals
6900218	Pyruvate derivatives	Galileo Pharmaceuticals
6667330	Furanone derivatives	Galileo Pharmaceuticals
6653346	Cytoprotective benzofuran derivatives	Galileo Pharmaceuticals
6608196	Process for solid supported synthesis of pyruvate-derived compounds	Galileo Pharmaceuticals
6750247	Sponge-derived terpenoids and methods of use	Galileo Laboratories
6528042	Compositions of flavonoids for use as cytoprotectants and methods of making and using them	Galileo Laboratories
6426362	Formulations of tocopherols and methods of making and using them	Galileo Laboratories
6232060	Assay system for anti-stress agents	Galileo Laboratories
5801159	Method and composition for inhibiting cellular irreversible changes due to stress	Galileo Laboratories
5728550	Peroxidase production	Assignment from Phytera, Inc. to Galileo Pharmaceuticals
5670357	Peroxidase produced by plant cell cultures	Assignment from Phytera, Inc. to Galileo Pharmaceuticals

PATENT APPLICATIONS

Jurisdiction: U. S. Patent & Trademark Office

Companies: Galileo Pharmaceuticals, Galileo Laboratories

PUBL. NO.	PATENT TITLE	STATUS
20020081731	Manipulation of plant cell and tissue cultures	Galileo Pharmaceuticals
20020143049	Compositions and methods for the prevention and treatment of cerebral ischemia	Galileo Pharmaceuticals
20020132845	Compositions and methods for the prevention and treatment of tissue ischemia	Galileo Pharmaceuticals
20030013656	Pyruvate derivatives	Galileo Pharmaceuticals
20030013846	Pyruvate derivatives	Galileo Pharmaceuticals
20030022818	Formulations of tocopherols and methods of making and using them	Galileo Pharmaceuticals
20030073712	Cytoprotective compounds, pharmaceutical and cosmetic formulations, and methods	Galileo Pharmaceuticals
20030144219	Formulations and methods for treatment or amelioration of inflammatory conditions	Galileo Pharmaceuticals
20030100603	Tocopherol enriched compositions and amelioration of inflammatory symptoms	Galileo Pharmaceuticals
20040105817	Identifying therapeutic compounds based on their physical-chemical properties	Galileo Pharmaceuticals
20040063975	Benzofuran derivatives	Galileo Pharmaceuticals
20040048919	Compositions and methods for reduction of inflammatory symptoms and/or biomarkers in female subjects	Galileo Pharmaceuticals
20040029812	Furanone derivatives	Galileo Pharmaceuticals
20040097433	Chroman derivatives for the reduction of inflammation symptoms	Galileo Pharmaceuticals
20050113416	Cytoprotective compounds, pharmaceutical and cosmetic formulations, and methods	Galileo Pharmaceuticals
20050124689	Tocopherol enriched compositions and amelioration of inflammatory symptoms	Galileo Pharmaceuticals
20050065150	Chroman derivatives	Galileo Pharmaceuticals
20050065149	7,8-Bicycloalkyl-chroman derivatives	Galileo Pharmaceuticals
20050065099	Treatment of mitochondrial diseases	Galileo Pharmaceuticals
20050112078	Plant-derived protein extract compositions and methods	unknown status
20050070540	Diterpenoid compounds, compositions thereof and their use as anti-cancer or anti-fungal agents	unknown status; security agreement recorded but not by or to Galileo
20050032802	Diterpenoid compounds, compositions thereof and their use as anti-cancer or anti-fungal agents	Assignment from GeminX Biotechnologies, Inc. to Galileo Pharmaceuticals