

PATENT ASSIGNMENT

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Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
EFFECTIVE DATE:	11/18/2005
CONVEYING PARTY DATA	
Name	Execution Date
Naomi Balaban	11/18/2005
RECEIVING PARTY DATA	
Name:	Centegen, Inc.
Street Address:	18 Bellchase Court
City:	Pikesville
State/Country:	MARYLAND
Postal Code:	21208
PROPERTY NUMBERS Total: 1	
Property Type	Number
Application Number:	11395293
CORRESPONDENCE DATA	
Fax Number:	(202)326-0778
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
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Correspondent Name:	Christopher W. Raimund
Address Line 1:	901 Fifteenth Street, NW, Suite 850
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ATTORNEY DOCKET NUMBER:	70050.0004USU1
NAME OF SUBMITTER:	Christopher W. Raimund
Total Attachments: 8 source=ASSIGNMENT AND SECURITY AGREEMENT#page1.tif source=ASSIGNMENT AND SECURITY AGREEMENT#page2.tif source=ASSIGNMENT AND SECURITY AGREEMENT#page3.tif source=ASSIGNMENT AND SECURITY AGREEMENT#page4.tif	

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PATENT COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS PATENT COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (this "Agreement") made as of the 18th day of November, 2005, by DR. NAOMI BALABAN, PH.D, (the "Licensor"), in favor of CENTEGEN, INC., a Delaware corporation ("Secured Party").

WHEREAS, * * * * Licensor and Secured Party are entering into a License Agreement * * * * ("License Agreement"), pursuant to which Licensor is agreeing, among other things, to be responsible for making certain indemnification payments to Secured Party; and

WHEREAS, as a condition of and to induce Secured Party to enter into the License Agreement with Licensor, Secured Party has required that Licensor execute and deliver this Agreement to Secured Party;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Licensor hereby makes the following covenants, agreements, representations and warranties for the benefit and security of Secured Party:

ARTICLE I

CONSTRUCTION AND DEFINED TERMS

1.01 Article and Section Headings. Article and Section headings and captions in this Agreement are for convenience only and shall not affect the construction or interpretation of this Agreement. Unless otherwise expressly stated in this Agreement, references in this Agreement to Sections shall be read as Sections of this Agreement. Terms used in this Agreement shall be applicable to the singular and plural, and references to gender shall include all genders.

1.02 Schedules and Exhibits. Unless a Schedule or Exhibit is referred to in this Agreement as being a Schedule or Exhibit to another Agreement, the references in this Agreement to specific Schedules and Exhibits shall be read as references to such specific Schedules or Exhibits attached, or intended to be attached, to this Agreement and any counterpart of this Agreement and regardless of whether they are in fact attached to this Agreement, and including any amendments, supplements and replacements to such Schedules or Exhibits from time to time.

1.03 License Agreement Defined Terms. Capitalized terms that are not defined in this Agreement, but are defined in the License Agreement, shall have the same definitions as in the License Agreement, which definitions are incorporated herein by reference.

1.04 Defined Terms. Unless otherwise stated in this Agreement, capitalized terms used in this Agreement shall have the following meanings.

"Core Patent Collateral" As defined in Section 2.01.

"Core Patent Collateral" As defined in Section 2.01.

"Event of Default" The occurrence of any Damages due, owing or payable to Secured Party pursuant to or in connection with Licensors' indemnification obligations under or pursuant to the License Agreement.

"License" As defined in Section 2.02.

"License Agreement" As defined on the first page of this Agreement.

"Licensed Rights" As defined in Section 2.01.

"Patent" or **"Patents"** Any patent issued under any Law for any invention or discovery, and any discovery of a new or useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, or other Property, that may be entitled to a patent or patent protection under any Law.

"Patent Collateral" As defined in Section 2.01.

"Patent Office" The United States Patent and Trademark Office, and any successor thereto.

"Patent Records" As defined in Section 2.01.

"Proceeds" As defined in Section 2.01.

"Property" Any right, title or interest in or to property of any kind whatsoever, whether real, personal, or mixed, and whether tangible or intangible.

"Scheduled Patent" or **"Scheduled Patents"** Licensors' Patents, and any filings, registrations and recordings of, and applications for, any thereof, listed on Schedule 1.

ARTICLE II

COLLATERAL ASSIGNMENT; SECURITY INTEREST; LICENSE

2.01 **Collateral Assignment; Security Interest.** To secure the full and timely payment, performance and satisfaction of the indemnification obligations of Licensors under and pursuant to the License Agreement, and without limiting the legal operation and effect of the License Agreement, Licensors hereby collaterally assigns to Secured Party, and grants to Secured Party a security interest in, all of Licensors' now owned and hereafter acquired, created or arising Property described below (referred to herein as "Patent Collateral"):

(a) All of Licensors' Patents, including but not limited to the Scheduled Patents, and any filings, registrations and recordings of, and applications for, any thereof, and (i) all reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, (ii) all income, royalties, damages and payments now and

hereafter due or payable with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (the Property described in this clause (a) being referred to herein as the "Core Patent Collateral"); and

(b) All of Licensor's right, title and interest (but not Licensor's obligations) as a licensor of any Patents to any other Person for use in the business that Licensor is engaged in on the date of this Agreement (including any license granted to Licensor under this Agreement) (the Property described in this clause (b) being referred to herein as "Licensed Rights"); and

(c) All of Licensor's cash and non-cash proceeds (as "proceeds" is defined in Article 9) and all other amounts and royalties received or to be received in respect of any sale, exchange, lease, license or other disposition of any Core Patent Collateral or Licensed Rights, and including insurance proceeds (the Property described in this clause (c) being referred to herein as "Proceeds"); and

(d) All of Licensor's Records relating to the Core Patent Collateral, Licensed Rights, or Proceeds, together with any containers or media in which the foregoing are stored (including any rights of Licensor with respect to the foregoing maintained with or by any other Person), and if any of the foregoing are stored with any other Person, all of Licensor's rights relating to the storage and retrieval thereof and access thereto (the Property described in this clause (d) being referred to herein as "Patent Records").

2.02 Supplement to License Agreement. This Agreement has been entered into in conjunction with the License Agreement. The rights and remedies of Secured Party with respect to the security interests granted herein are without prejudice to, and are in addition to, the terms set forth in the License Agreement, all terms of which are incorporated herein by reference. This Agreement is made for collateral purposes only. Nothing contained herein shall be deemed to limit in any way Licensor's right to license the Patent Collateral to Secured Party or to prevent the grant to Secured Party, for the benefit of Secured Party, any rights or licenses with respect to the Patent Collateral, including without limitation pursuant to the License Agreement. Licensor shall not sell or assign Licensor's interest in the Licensed Rights without the prior written consent of Secured Party, which consent may be withheld in Secured Party's sole discretion.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Licensor makes the following representations and warranties to Secured Party:

3.01 The execution, delivery and performance by the Licensor of this Agreement does not conflict with or breach the terms, conditions or provisions of any other agreement or contract or undertaking or require any authorization, consent, approval, exemption or other action by or

declaration or notice to any third party pursuant to (i) any material agreement, instrument, or other document to which the Licensors is a party or (ii) any laws to which the Licensors is subject.

3.02 Licensors has full right and authority to enter into this Agreement and perform its obligations hereunder and this Agreement constitutes a valid and binding obligation of the Licensors which is enforceable against the Licensors in accordance with its terms.

3.03 This Agreement grants to Secured Party a first and prior security interest in and to the Patent Collateral.

ARTICLE IV

COVENANTS

Licensors covenants and agrees to the following:

4.01 **Special Power of Attorney.** Licensors hereby appoints and constitutes Secured Party as Licensors's true and lawful attorney, with full power of substitution, and with full power and authority to perform the following acts on behalf of Licensors upon an Event of Default:

1. Assigning, selling or otherwise disposing of all right, title and interest of Licensors in and to the patents listed on Schedule 1 attached hereto, and including those patents which are added to the same subsequent hereto, and all filings, registrations and recordings thereof, and all pending applications therefor, and for the purpose of the filing, registering, and recording of, or accomplishing any other formality with respect to, the foregoing, and to execute and deliver any and all agreements, documents, instruments of assignment or other writings necessary or advisable to effect such purpose.

2. To execute any and all documents, statements, certificates or other writings necessary or advisable in order to effect the purposes described above as Secured Party may in its sole discretion determine.

4.02 **Liens; Lien Notices; Dispositions.** Licensors shall not (a) create, incur, assume, or suffer to exist any liens upon any Patent Collateral other than pursuant to this Agreement, or (b) execute or authorize, or file or permit to be on file in any public office, any lien notice, including UCC filings, regarding any Patent Collateral, other than pursuant to this Agreement.

ARTICLE V

REMEDIES

5.01 **Remedies.** Secured Party shall have all of the rights and remedies available under this Agreement, the License Agreement, the UCC, at law, and in equity. Any foreclosure of any lien or security interest hereunder must be commenced prior to six (6) months from the date of the termination of the License Agreement. The commencement of any action, legal or equitable, or the rendering of any judgment or decree for deficiency shall not affect Secured Party's interest

in the Patent Collateral until the Damages and indemnification obligations under the License Agreement have been fully paid and satisfied

5.02 **Separate Assignment; Attorney-in-Fact.**

(a) Upon the occurrence and continuation of any Event of Default and in addition to such other rights and remedies as Secured Party may have under other provisions of this Agreement or under common or statutory law, Secured Party may require Licensor forthwith to take such other action as Secured Party may request to evidence the outright assignment of such Scheduled Patents to Secured Party or Secured Party's designee, or to exercise, register or further perfect and protect Secured Party's rights and remedies with respect to such assigned Scheduled Patents, in which event Licensor immediately shall execute and deliver such assignment and take such other action as Secured Party so requests.

(b) Licensor hereby authorizes Secured Party to make, constitute and appoint any officer or agent of Secured Party as Secured Party may select, in Secured Party's sole discretion, as Licensor's true and lawful attorney-in-fact, with power of substitution, from and after the occurrence of an Event of Default to (i) sign and endorse Licensor's name on all applications, documents, papers and instruments necessary or desirable for Secured Party in the use of the Scheduled Patents, (ii) take any other actions with respect to the Scheduled Patents as Secured Party deems in the best interest of Secured Party, (iii) grant or issue any exclusive or non-exclusive license under the Scheduled Patents to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Scheduled Patents to anyone. Licensor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable until all Damages and indemnification obligations under the License Agreement shall have been fully paid and satisfied.

ARTICLE VI

GENERAL PROVISIONS

6.01 **Remedies Cumulative.** Upon the occurrence and continuation of any Event of Default, and in addition to such other rights and remedies as Secured Party may have under other provisions of this Agreement or any other agreement with Licensor, Secured Party may exercise any one or more of its rights and remedies under common or statutory law, and Secured Party may exercise such rights and remedies cumulatively and simultaneously. No failure or delay on the part of Secured Party in exercising any right, power or privilege hereunder or under any other agreement with Licensor and no course of dealing between Licensor or any other Person and Secured Party shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any other agreement with Licensor preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder.

6.07 **Governing Law.** This Agreement shall, except to the extent that federal law or laws of another state apply to the Patents or any part thereof, be governed by and construed in accordance with the internal laws of the State of Maryland, without regard to conflicts of law principles.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, and intending to be legally bound hereby, Licensor execute this Agreement under seal as of the day and year first above written.

LICENSOR:

DR. NAOMI BALABAN, PH.D

By: Naomi Balaban
Name: NAOMI BALABAN

SECURED PARTY:

CENTEGEN, INC.

By: Joel B. Braunstein
Name: JOEL B. BRAUNSTEIN
Title: PRESIDENT - CEO

Attachments:

Schedule 1 (Patents)

SCHEDULE 1 TO
PATENT COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

<u>COUNTRY</u>	<u>FAMILY HISTORY</u>	<u>APPLICATION / PUBLICATION / PATENT NUMBER</u>	<u>FILING / PUBLICATION / PATENT DATE</u>	<u>TITLE</u>
United States	Based on Provisional Application No. 60/068,094	6291431 09/054331	September 18, 2001 April 2, 1998	METHODS AND COMPOSITIONS FOR THE TREATMENT AND PREVENTION OF STAPHYLOCOCCAL INFECTIONS
United States	CIP of 09/054332, now Patent No. 6291431; and Provisional Application No. 60/068,094	US2004-0077534 09/839695	April 22, 2004 April 19, 2001	METHODS AND COMPOSITIONS FOR THE TREATMENT AND PREVENTION OF STAPHYLOCOCCUS INFECTIONS AUREUS INFECTIONS
United States	CIP of 09/839695, which is a CIP of 09/054331, now Patent No. 6,291,431; and Provisional Application No. 60/068,094	US2004-0072748 10/358448	April 15, 2004 February 3, 2003	METHODS AND COMPOSITIONS FOR THE TREATMENT AND PREVENTION OF STAPHYLOCOCCUS AND OTHER BACTERIAL INFECTIONS
PCT	Based on 10/358448	PCT/US2004-002679	January 30, 2004	METHODS AND COMPOSITIONS FOR THE TREATMENT AND PREVENTION OF STAPHYLOCOCCUS AND OTHER BACTERIAL INFECTIONS
United States		60/667940	April 4, 2005	PREVENTION OF STAPHYLOCOCCAL BIOFILMS-ASSOCIATED INFECTIONS BY THE QUORUM SENSING INHIBITOR RIP
United States		60/667939	April 4, 2005	METHOD AND COMPOSITION FOR TREATING STAPHYLOCOCCUS AUREUS INFECTIONS
United States		60/668132	April 4, 2005	USE OF RIP IN TREATING STAPHYLOCOCCUS AUREUS INFECTIONS
United States		60/670335	April 11, 2005	NON-PEPTIDE INHIBITORS OF S. AUREUS TOXINS
United States		60/679516	May 10, 2005	QUORUM SENSING INHIBITOR