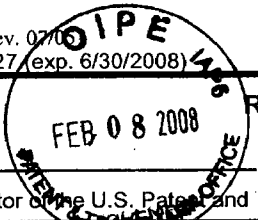


02-14-2008



103482131



To the Director of the U.S. Patent and Trademark Office

ments or the new address(es) below.

2-8

1. Name of conveying party(ies)
Aloperx Pharmaceuticals, LLC

2. Name and address of receiving party(ies)

Name: KLP Enterprises, LLC

Internal Address: c/o Andrew D. Wingate

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

Street Address: 35 Windsor Road

3. Nature of conveyance/Execution Date(s):

Execution Date(s) December 4, 2007

- Assignment Merger
- Security Agreement Change of Name
- Joint Research Agreement
- Government Interest Assignment
- Executive Order 9424, Confirmatory License
- Other _____

City: North Haven

State: Connecticut

Country: USA Zip: 06473

Additional name(s) & address(es) attached? Yes No

4. Application or patent number(s):

This document is being filed together with a new application.

A. Patent Application No.(s)
11/111,688 10/712,391
10/713,790

B. Patent No.(s)

Additional numbers attached? Yes No

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

Name: Peter L. Costas

Internal Address: Pepe & Hazard LLP

Street Address: 225 Asylum Street

City: Hartford

State: Connecticut Zip: 06103

Phone Number: (860) 241-2630

Fax Number: (860) 522-2796

Email Address: pcostas@pepehazard.com

6. Total number of applications and patents involved: 3

7. Total fee (37 CFR 1.21(h) & 3.41) \$120.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed
- None required (government interest not affecting title)

8. Payment Information

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number 03-3355

Authorized User Name: Pepe & Hazard LLP
02/13/2008 NJANA1 00000025 11111688
01/10/2008

9. Signature:

Peter L. Costas
Signature

Feb. 6, 2008

Date

Peter L. Costas
Name of Person Signing

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

14

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

NOTICE OF SECURITY INTEREST

Notice is hereby given of a security interest in the Exclusive License Agreement by and between Alopexx Pharmaceuticals, LLC and The Brigham and Women's Hospital, Inc. dated December 4, 2007 in favor of KLP Enterprises, LLC as lender and secured party pursuant to the terms of the Securities Purchase Agreement by and between Alopexx Pharmaceuticals LLC and KLP Enterprises LLC. The Exclusive License Agreement relates to certain patent rights under U.S. Patent Application Nos. 11/111,688, 10/713,790 and 10/712,391.

The parties and their interests are as set forth below. An abstract of the Securities Purchase Agreement relating to this security interest is attached as Schedule A.

OWNER AND LICENSOR: The Brigham and Women's Hospital, Inc.
75 Francis Street
Boston, MA 02115

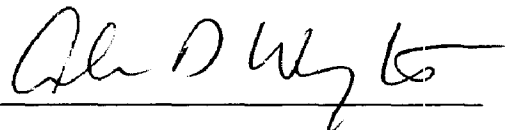
LICENSEE AND DEBTOR: Alopexx Pharmaceuticals, LLC
80 Buckingham Street
Cambridge, MA 02138

LENDER AND SECURED PARTY: KLP Enterprises, LLC
c/o Andrew D. Wingate
35 Windsor Road
North Haven, CT 06473-3045

COLLATERAL: Exclusive License Agreement
BWH Agreement No.: A10100
BWH Case No.: 796,797,959
U.S. Patent Application Nos. 11/111,688,
10/713,790 and 10/712,391

Dated as of this 4th day of December, 2007

KLP ENTERPRISES, LLC

By: 

ALOPEXX PHARMACEUTICALS, LLC

SECURITIES PURCHASE AGREEMENT

DATED AS OF DECEMBER 4, 2007

\$3,250,000 10% SENIOR NOTES DUE DECEMBER 4, 2012

230,108 MEMBERSHIP UNITS

8. SECURITY INTEREST IN THE COLLATERAL

8.1 Grant of Security Interest. To secure payment and performance of the Obligations, the Company grants to the Purchaser a continuing security interest in all of its right, title and interest in any and all:

- (a) accounts;
- (b) chattel paper, including tangible chattel paper and electronic chattel paper;
- (c) cash;
- (d) commercial tort claims;
- (e) deposit accounts
- (f) documents;
- (g) general intangibles, including payment intangibles and software and, specifically including, without limitation, the BWH License;
- (h) goods, including inventory, equipment and all accessions;
- (i) instruments, including promissory notes;
- (j) investment property, including securities, securities entitlements, securities accounts and commodity accounts;
- (k) letter of credit rights;
- (l) supporting obligations; and
- (m) all proceeds of any of the foregoing;

in each case, whether now owned or hereafter acquired (collectively, the “Collateral”).

8.2 Perfection on Particular Collateral. *Company agrees as follows:*

8.2.1 ***Certain Collateral.*** Whenever requested by the Purchaser, the Company shall give the Purchaser specific assignments of any or all Collateral consisting of accounts, chattel paper, documents, general intangibles, instruments or investment property. The assignments shall be in form satisfactory to the Purchaser and shall be accompanied by such information and by such documents as the Purchaser may require.

8.2.2 **Control of Collateral.** The Company shall take such steps as the Purchaser may reasonably request:

8.2.2.1 to obtain an acknowledgement, in form and substance satisfactory to the Purchaser, of any bailee having possession of any of the Collateral that the bailee holds such Collateral for the benefit of the Purchaser;

8.2.2.2 to obtain control of any investment property, deposit accounts, letter-of-credit rights or electronic chattel paper, with any agreements establishing control to be in form and substance satisfactory to the Purchaser;

8.2.2.3 during the continuance of any Event of Default, to deliver all any cash in its possession to the Purchaser; and

8.2.2.4 otherwise to insure the continued perfection and relative priority of the Security Interest and of the preservation of the rights of the Purchaser.

8.2.3 **Commercial Tort Claims.** If the Company shall acquire a commercial tort claim, the Company shall immediately notify the Purchaser in writing of the details of the claim. The Company shall grant to the Purchaser in writing, in form and substance satisfactory to the Purchaser, a security interest in the commercial tort claim on the terms of this Agreement.

8.2.4 **Intellectual Property.** The Company shall not file any patent, trademark or copyright application without first providing written notice to the Purchaser of such application and taking such actions and filing such instruments or shall be reasonably requested by the Purchaser to grant to the Purchaser a security interest covering such application and any resulting patent, trademark or copyright.

8.2.5 **Account Control Agreements.** The Company shall notify the Purchaser promptly following the establishment of any bank account or security account and shall enter into an account control agreement, in form and substance reasonably satisfactory to the Purchaser, with respect thereto in order to perfect the Purchaser's security interest in such account and the Collateral on deposit therein.

8.2.6 **BWH License.** The Company shall take all steps reasonably requested by the Purchaser to assure and confirm that the security interest of the Purchaser in and to the Purchaser's rights in respect of the BWH License (including, without limitation, the making of such filings as the Purchaser shall reasonably request with the Patent and Trademark Office of the United States and such similar offices in such other

jurisdictions in which the patent licensed thereby is registered or otherwise protected of record under law) are and remain perfected and are and remain otherwise valid and effective as against third parties.

8.3 Name; Jurisdiction of Organization. The Company shall not make any change to its legal name or its jurisdiction of organization (whether by merger or otherwise) without providing written notice to the Purchaser at least 30 days prior to the effectiveness of such action.

8.4 Location of Collateral; Records. The Company will maintain all Collateral consisting of tangible chattel paper, cash, documents, instruments and securities at the address of the Company set forth in Section 11.1(a). The Company will maintain all records concerning any Collateral at such address.

8.5 Insurance; Losses.

8.5.1 Insurance. In addition to complying with Section 7.6(a), the Company will keep the Collateral insured against loss or damage by fire, theft, collision (in the case of motor vehicles) and other risks embraced within the extended coverage and all risk forms of policy. The policies shall have limits of not less than 100% of the full insurable value of the Collateral and deductibles of not less than \$10,000 per occurrence. Such policies shall name the Purchaser and its respective successors or assigns as additional insureds and loss payees as their interests shall appear. The policies shall provide that they shall not be terminated except upon thirty days' prior written notice to the Purchaser. If the Company shall fail to provide and pay for such insurance, the Purchaser may (but is not required to) provide or pay for them at the Company's expense. All such payments by the Purchaser shall be due on demand and shall be Obligations secured by the Security Interest.

8.5.2 Losses.

8.5.2.1If any Loss shall occur, the Company shall promptly notify the Purchaser in writing of the nature and extent of the Loss and how the Company proposes to deal with the Loss.

8.5.2.2If no Default or Event of Default shall be continuing and a Loss to Collateral occurs, then the Company shall have the right to settle and adjust any claim arising from the Loss; *provided, however,* that if such Loss diminishes the fair market value of the Collateral by more than \$50,000, such settlement and adjustment and the disposition of the proceeds thereof shall be approved by the Directors. The Company may retain the proceeds of any

payment made to it in respect of such Loss. However, the proceeds paid to the Company shall remain Collateral.

8.5.2.3 If any Default or Event of Default shall be continuing at the time that a Loss occurs, then the Purchaser shall have the right to settle and adjust any claim arising from the Loss. The Company shall apply the proceeds of such Loss to the payment of the Notes. If the proceeds are applied to payment of the Notes prior to any acceleration of the maturity of the Notes, they shall be applied to prepay Notes pursuant to Section 6.2(c); otherwise, they shall be applied pursuant to Section 9.

8.6 Further Assurances.

8.6.1 The Company will defend the Collateral against any and all other Liens of any Persons at any time claiming any interest in any of the Collateral.

8.6.2 The Company shall take all actions necessary to create, perfect and continue in favor of the Purchaser the Security Interest in all of the Collateral, including any after-acquired Collateral that does not automatically become subject to such Security Interest. The Company, at the request of the Purchaser, agrees to execute and deliver UCC financing statements or continuation statements, filings with the United States Patent and Trademark Office and the United States Copyright Office and such other instruments as the Purchaser shall require in order to perfect and maintain the Security Interest in the Collateral. The Company agrees to pay the cost of filing and recording those filings in all public offices where filing or recording is reasonably deemed by the Purchaser to be necessary or desirable.

8.7 Attorney in Fact

8.7.1 **Authorization to File Financing Statements.** The Purchaser may file and sign financing statements, continuation statements and amendments covering the Collateral on behalf of the Company. Such financing statements, continuation statements or amendments may contain any information required by law for its sufficiency or filing office acceptance, including whether the Company is an organization, the type of organization and any organization identification number issued to the Company. The Company agrees to furnish any such information to the Purchaser promptly upon request.

8.7.2 **Performance by the Purchaser.** Upon failure by the Company to perform any act required by this Section 8, the Purchaser is authorized and shall have the option to perform any such acts in any

commercially reasonable manner, without waiving any rights to enforce this Agreement. The expenses of the Purchaser in exercising this option are Obligations secured by the Collateral.

8.7.3 **Power of Attorney.** The Company irrevocably appoints the Purchaser as its agent and attorney-in-fact to:

8.7.3.1 file any financing statements, continuation statements or amendments authorized by Section 8.2 or Section 8.7.1;

8.7.3.2 take any action authorized by Section 8.2 (should the Company fail to do so after reasonable notice) or by Section 8.6.2 or Section 8.7.2; and

8.7.3.3 adjust and settle claims in connection with any Loss of any Collateral or the proceeds of any insurance on any Collateral to the extent permitted by Section 8.5.2.3, and to endorse any checks, drafts or other orders for the payment of money which shall be received in connection with any Loss or insurance payment.

9. EVENTS OF DEFAULT

9.1 **Nature of Events.** An “Event of Default” shall exist if any of the following occurs and is continuing:

9.1.1 **Payments on Notes** – the Company shall fail to make any payment of principal of or interest on any Note on or before the date such payment is due, whether at maturity, upon a Prepayment Event or otherwise;

9.1.2 **Particular Covenant Defaults** – the Company shall fail to perform or observe any covenant contained in Section 7.1(e), any of Section 7.7 through Section 7.13, inclusive, or any subsidiary fails to comply with any provision of any such Section;

9.1.3 **Other Defaults** – the Company shall fail to comply with any other provision of this Agreement or any other Financing Document, and such failure continues for more than thirty days after such failure first becomes known to a senior officer of the Company;

9.1.4 **Representations or Warranties** – any representation, warranty or other statement by or on behalf of the Company contained in any Financing Document, the Perfection Certificate or in any instrument furnished in compliance with any Financing Document shall have been false or misleading in any material respect when made;

9.1.5 **Default on Debt** –

9.1.5.1 the Company shall fail to pay any of its Debt when due, subject to any applicable grace or cure period; or

9.1.5.2 anything shall happen such that, that immediately or with the passage of time or the giving of notice causes, or permits any lender or their trustee to cause, all or any part of the Debt of the Company to become due prior to its maturity or regularly scheduled payment date or to be repurchased by the Company; *provided* that the aggregate amount of all such Debt exceeds \$25,000;

9.1.6 **Involuntary Bankruptcy Proceedings** –

9.1.6.1 a receiver, custodian or trustee of the Company, or any substantial part of its Property, is appointed by court order and such order remains in effect for more than 60 days;

9.1.6.2 the Company is adjudicated a bankrupt or Insolvent or is the subject of an order for relief;

9.1.6.3 any substantial part of the Property of the Company is sequestered by court order and the order remains in effect for more than 60 days; or

9.1.6.4 anyone files a petition against the Company under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law and the petition is not dismissed within 60 days;

9.1.7 **Voluntary Petitions** – the Company files a bankruptcy petition or seeks relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law or consents to the filing of any such petition against it;

9.1.8 **Assignments for Benefit of Creditors, etc.** – the Company makes an assignment for the benefit of its creditors, or admits in writing its inability to pay debts, fails to pay its debts generally as they become due or consents to the appointment of a receiver, liquidator or trustee;

9.1.9 **Undischarged Final Judgments** – a final judgment or judgments aggregating in excess of \$25,000 are outstanding against the Company, and any one of such judgments shall have been

outstanding for more than 60 days and shall not have been discharged in full or stayed;

9.1.10 **This Agreement** – any material provision of this Agreement (including Section 8) or any other Financing Document shall become unenforceable for any reason, or the Company shall challenge the enforceability of any provision of any Financing Document or state in writing that any provision of any Financing Document is unenforceable;

9.1.11 **Material Loss** – any Loss (other than by condemnation or eminent domain) shall occur to any material Collateral such that the fair market value of the Collateral which was the subject of such Loss exceeds by more than \$25,000 the applicable payment received or to be received from the proceeds of insurance for such Collateral; or

9.1.12 **Collateral Issues** – the Company files a financing statement, correction statement, amendment statement or termination statement under the UCC of any jurisdiction with respect to the Collateral without the express written consent of the Purchaser; or if for any reason at any time the Security Interest fails to create a valid and perfected Lien on the Collateral, subject only to such Liens, if any, as are permitted by Section 7.12.

9.2 Acceleration.

9.2.1 **Automatic.** If any Bankruptcy Default exists, the principal amount of all of the Notes, and all accrued and unpaid interest shall become immediately due and payable.

9.2.2 **By the Purchaser.** If any Event of Default other than a Bankruptcy Default shall exist, the Purchaser may declare the principal amount of all of the Notes and all accrued and unpaid interest to be immediately due and payable.

9.2.3 **Waivers.** The Company waives presentment, demand, protest or notice of any kind in connection with any acceleration of the Notes.

9.3 Enforcement of Security Interest.

9.3.1 **Possession of Collateral.** Following the occurrence of any Default or Event of Default, the Purchaser may take possession of any or all of the Collateral. To do so, the Purchaser may enter any of the Company's premises and search for, take possession of, disable, remove, keep and store any of the Collateral until it is sold or otherwise disposed of. The Purchaser shall have the right to store

any Collateral on any of the Company's premises without cost. The Purchaser may require the Company to assemble all or any part of the Collateral and make it available to it at a place it designates. If the Purchaser takes possession of any Collateral, the Company irrevocably waives any bonds and any surety or security required by any statute, court rule or otherwise as an incident to its possession of any Collateral. When Collateral is in the Purchaser's possession, the risk of Loss remains with the Company and the Purchaser need not continue, renew or obtain any insurance coverage.

9.3.2 Sale. Following the acceleration of the Notes pursuant to Section 9.2.1 or Section 9.2.2, the Purchaser may Transfer any Collateral, either at public or private sale, in lots or in bulk, for cash or on credit, and upon such other terms as it shall deem acceptable. The requirements of reasonable notice shall be met if such notice is mailed postage prepaid via certified mail to the address of the Company set forth in Section 11.1(a) at least ten days before the time of the sale or disposition.

9.4 Control of Payment Rights.

9.4.1 During the continuance of an Event of Default, and in addition to the rights provided in Section 8, the Purchaser may:

9.4.1.1 notify all account debtors and other Persons required to make payment to the Company pursuant to the terms of any Payment Right to make payment to the Purchaser directly;

9.4.1.2 collect all Payment Rights;

9.4.1.3 sell, transfer, compromise, discharge or extend any part of any Payment Rights; and

9.4.1.4 accept the return of goods relating to any Payment Right without discharging or in any way affecting the Obligations.

9.4.2 The Company shall provide to the Purchaser full information regarding inventory sold and the proceeds, and a list of all Payment Rights, including the names and addresses of the debtors liable therefor.

9.4.3 The Purchaser shall have the right to receive, endorse, assign or deliver in the Purchaser's name or the name of the Company any and all checks, drafts, promissory notes and other instruments for the payment of money relating to Payment Rights, and the Company

hereby waives notice of presentment, protest and non-payment of any instrument so endorsed.

9.5 Power of Attorney. The Company irrevocably appoints the Purchaser its attorney-in-fact with power, during the continuance of any Event of Default, to:

- 9.5.1 endorse its name upon any notes, acceptances, checks, drafts, money orders or other evidences of payment or other Collateral that may come into its possession;
- 9.5.2 sign the Company's name on any invoice, bill of lading or document relating to any of Company's Payment Rights;
- 9.5.3 send verifications of Payment Rights to any customer;
- 9.5.4 notify the United States Postal Service to change the address for delivery of mail addressed to the Company to such address as the Purchaser may designate; and
- 9.5.5 to do all other acts and things necessary to carry out this Agreement.

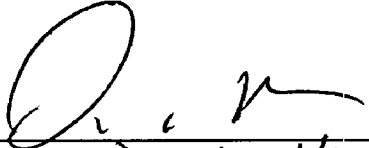
9.6 Other Remedies, Etc.

- 9.6.1 **Other Remedies.** During the existence of an Event of Default, the Purchaser may proceed to protect and enforce its rights under the Financing Documents by exercising such remedies as are available to the Purchaser under the UCC, other applicable law or in equity.
- 9.6.2 **Nonwaiver.** No course of dealing on the part of the Purchaser nor any delay or failure on the part of the Purchaser to exercise any right shall waive that right or otherwise prejudice the Purchaser's rights, powers and remedies.
- 9.6.3 **No Assumption of Obligations.** Even if the Purchaser takes action permitted under Section 9.3, Section 9.4 or Section 9.5, the Purchaser does not assume or be responsible in any way for the Company's performance of any obligation whatsoever.

In order to make this Agreement legally binding, each of the parties has caused this Agreement to be executed and delivered by one of its authorized officers or representatives.

COMPANY:

ALOPEXX PHARMACEUTICALS, LLC

By: 
Name: DANIK VLOCA
Title: CEO

PURCHASER:

KLP ENTERPRISES LLC

By: _____
Name:
Title:

Signature Page to the Securities Purchase Agreement, dated as of December 4, 2007, among
ALOPEXX PHARMACEUTICALS LLC and KLP ENTERPRISES LLC

In order to make this Agreement legally binding, each of the parties has caused this Agreement to be executed and delivered by one of its authorized officers or representatives.

COMPANY:

ALOPEXX PHARMACEUTICALS, LLC

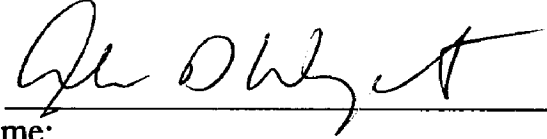
By: _____

Name:

Title:

PURCHASER:

KLP ENTERPRISES LLC

By:  _____

Name:

Title:

Signature Page to the Securities Purchase Agreement, dated as of December 4, 2007, among
ALOPEXX PHARMACEUTICALS LLC and KLP ENTERPRISES LLC

GSH/33414/1/825936v8
11/28/07-HRT/

RECORDED: 02/08/2008

PATENT
REEL: 020513 FRAME: 0520