

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
Chameleon Scientific Corporation	05/03/2010
RECEIVING PARTY DATA	
Name:	Summit Life Science Partners LLC
Street Address:	136 Heber Avenue
Internal Address:	P.O. Box 681013
City:	Park City
State/Country:	UTAH
Postal Code:	84060
PROPERTY NUMBERS Total: 19	
Property Type	Number
Patent Number:	7250195
Application Number:	12586031
Application Number:	11406607
Application Number:	11542531
Application Number:	12148971
Application Number:	12706315
Application Number:	11932831
Application Number:	12152698
PCT Number:	US0812348
Application Number:	11900865
PCT Number:	US0869599
Application Number:	61072981
Application Number:	11603436
Application Number:	11657222

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PATENT  
REEL: 024351 FRAME: 0470

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Application Number:	11542557
Application Number:	11593701
PCT Number:	US0813918
Application Number:	11771933
Application Number:	11771113

#### CORRESPONDENCE DATA

Fax Number: (973)597-6163

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

Phone: 973-597-6162

Email: epietrowski@lowenstein.com

Correspondent Name: Elizabeth Pietrowski

Address Line 1: Lowenstein Sandler PC

Address Line 2: 65 Livingston Avenue

Address Line 4: Roseland, NEW JERSEY 07068

ATTORNEY DOCKET NUMBER:	23218-7
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NAME OF SUBMITTER:	Elizabeth Pietrowski
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Total Attachments: 10

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**PATENT GRANT OF SECURITY INTEREST**

This Patent Grant of Security Interest (this "*Agreement*") is dated the 3<sup>rd</sup> day of May, 2010 between CHAMELEON SCIENTIFIC CORPORATION, a Delaware corporation ("*Grantor*"), which maintains its chief executive office and principal place of business at 13355 10th Avenue North, Suite 108, Plymouth, Minnesota and SUMMIT LIFE SCIENCE PARTNERS LLC, with its chief executive office and principal place of business at 136 Heber Avenue, P.O. Box 681013, Park City, Utah (together with its successors and assigns, the "*Secured Party*").

**RECITALS**

A. Grantor owns the patents and patent applications and is a party to the patent licenses listed on Schedule 1 hereto.

B. Secured Party and Grantor are parties to a line of credit confirmation letter of even date herewith (as amended or extended from time to time, the "*Line Letter*") and Grantor has executed and delivered to Secured Party its promissory note in an original principal amount of \$150,000 as contemplated by the Line Letter (as amended or extended from time to time, the "*Note*").

C. The Secured Party requires that the Grantor grant to the Secured Party a security interest in all right, title and interest of Grantor in, to and under all of Grantor's Patents, all of Grantor's Patent applications and all of Grantor's Patent Licenses, whether presently existing or hereafter arising or acquired, and all products and proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof for the full term of the Patents, to secure the payment of the Indebtedness.

D. All capitalized terms not defined herein shall have the meanings set forth in the Line Letter.

NOW, THEREFORE, in consideration of the premises contained herein, Grantor hereby agrees with Secured Party as follows:

1. The following terms when used herein shall have the meanings set forth below::

"*Lien*" shall mean any mortgage, deed of trust, pledge, hypothecation, assignment for security, security interest, encumbrance, levy, lien or charge of any kind, whether voluntarily incurred or arising by operation of law or otherwise, against any property, any conditional sale or other title retention agreement, any lease in the nature of a security interest, and the filing of any financing statement (other than a precautionary financing statement with respect to a lease that is not in the nature of a security interest) under the Uniform Commercial Code or comparable law of any jurisdiction.

"*Line Documents*" shall mean the Line Letter, the Note and this Agreement.

**"Obligations"** shall mean (i) the payment of all principal and interest under the Line Documents, all other sums due under and in respect thereof, (ii) all fees, charges, expenses, and attorneys' fees and costs of enforcement of the Line Documents and (iii) the performance and observance by Grantor of all other terms, covenants and agreements set forth in the Line Documents.

**"Patent License"** shall mean any agreement granting any right with respect to any invention on which a Patent is in existence or a Patent application is pending, in which agreement Borrower now holds or hereafter acquires any interest.

**"Patents"** shall mean all of the following property, now owned or hereafter acquired by Grantor or in which Grantor now holds or hereafter acquires any interest: (a) all letters patent of, or rights corresponding thereto, in the United States or in any other country, all registrations and recordings thereof, and all applications for letters patent of, or rights corresponding thereto, in the United States or any other country, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country; (b) all reissues, continuations, continuations-in-part or extensions thereof; (c) all petty patents, divisionals, and patents of addition; and (d) all patents to be issued under any such applications.

**"Permitted Liens"** shall mean: (a) the Lien created by this Agreement; (b) Liens for fees, taxes, levies, imposts, duties or other governmental charges of any kind which are not yet delinquent or which are being contested in good faith by appropriate proceedings which suspend the collection thereof (*provided, however*, that such proceedings do not involve any substantial danger of the sale, forfeiture or loss of any item of any asset of Grantor and that Grantor has adequately bonded such Lien or reserves sufficient to discharge such Lien have been provided on the books of Grantor); (c) Liens existing on the date hereof to the extent written disclosure thereof has been delivered by Grantor to the Secured Party; (d) Liens to secure payment of workers' compensation, employment insurance, old-age pensions or other social security obligations of Grantor in the ordinary course of business of Grantor; and (e) carriers', warehousemen's, mechanics', landlords', materialmen's, repairmen's, professional's, equitable or other similar Liens arising in the ordinary course of business of Grantor which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings.

2. To secure the complete and timely satisfaction of all the Obligations, Grantor hereby grants and conveys to Secured Party a continuing security interest in and lien on all of Grantor's entire right, title and interest in and to all Grantor's Patents and Patent applications, including without limitation those listed on Schedule 1 hereto (as may be amended from time to time) and the proceeds thereof (such as, by way of example, license royalties and proceeds of infringements, all rights corresponding thereto throughout the world and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof and in any written agreement granting any right or license to use any invention on which a Patent or Patent application is pending or in which agreement the Grantor now holds or hereafter acquires any interest (collectively, the **"Patent Collateral"**). Secured Party is authorized to file this Agreement with the United States Patent and Trademark Office or any other governmental agency it deems necessary or desirable in order to secure and perfect its rights under this Agreement or the other Line Documents.

3. Grantor represents, warrants and covenants that:

(a) Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to all of the Patent Collateral, free and clear of any liens, charges and encumbrances, including without limitation, pledges, assignments, licenses, shop rights and covenants by Grantor not to sue third persons, except for Permitted Liens;

(b) The Patent Collateral is subsisting, and no part of the Patent Collateral has been adjudged invalid or unenforceable, in whole or in part;

(c) To Grantor's knowledge, the Patent Collateral consisting of issued Patents is valid and enforceable;

(d) No claim has been made that the use of any of the Patent Collateral does or may infringe or violate the rights of any third person; and

(e) Grantor has the unqualified right to enter into this Agreement and perform its terms.

4. Grantor agrees that, until all of the Obligations shall have been indefeasibly satisfied in full, it will not enter into any agreement relating to Grantor's Patents (for example, a license agreement) without Secured Party's prior written consent.

5. If, before the Obligations shall have been indefeasibly satisfied in full, Grantor shall obtain rights to any new patentable inventions, become entitled to the benefit of any Patent application or Patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent, any improvement on any Patent, or any rights that would come within the definition of Patent Collateral had such rights existed on the date hereof, the provisions of paragraph 2 shall automatically apply thereto and Grantor shall give to Secured Party prompt written notice thereof. Failure to provide such notice shall constitute a material breach of this Agreement.

6. Grantor authorizes Secured Party unilaterally to modify this Agreement by amending Schedule 1 to include any future Patents or other rights described in paragraphs 2 and 5 hereof.

7. If Grantor shall default in the performance of any of the Obligations and the Secured Party has terminated, in writing, discussions regarding Secured Party's acquisition of Grantor's assets, Secured Party shall have (subject to the ninety-day requirement set forth below in this Section 7), in addition to all other rights and remedies given it by this Agreement or the other Line Documents, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which either the Patents may be located or which is otherwise applicable and, without limiting the generality of the foregoing, Secured Party may immediately, without demand of performance and without other notice (except as set forth below) or demand whatsoever to Grantor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, the whole or from time to time any part of the Patents, or any interest which the Grantor may have therein, and after deducting from the proceeds of sale or other disposition of the Patents all

expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to Grantor. Notice of any sale or other disposition of the Patents shall be given to Grantor at least ninety (90) days before the time of any intended public or private sale or other disposition of the Patents is to be made, which Grantor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition Secured Party or its Transferee (defined in paragraph 15 below) may, to the extent permissible under applicable law, purchase the whole or any part of the Patents sold, free from any right of redemption on the part of Grantor, which right is hereby waived and released.

8. Grantor hereby authorizes and empowers Secured Party to make, constitute and appoint any officer or agent of Secured Party, as Secured Party may select in its exclusive discretion, as Grantor's true and lawful attorney-in-fact, with the power, if Grantor shall default in the performance of any of the Obligations, to endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for Secured Party to use the Patents, or to grant or issue any exclusive or nonexclusive license under the Patents to any third person, or necessary or desirable for Secured Party to assign, pledge, convey or otherwise transfer title in or dispose of the Patents to any third person as a part of Secured Party's realization on such collateral. Grantor hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney being coupled with an interest shall be irrevocable for the life of this Agreement.

9. If Grantor fails to comply with any of its obligations hereunder, Secured Party may do so in Grantor's name or in Secured Party's name, but at Grantor's expense, and Grantor hereby agrees to reimburse and indemnify Secured Party in full for all expenses, including reasonable attorneys' fees, incurred by Secured Party in protecting, defending and maintaining the Patent Collateral.

10. Any and all fees, costs and expenses, of whatever kind or nature, including the attorneys' fees and legal expenses incurred by Secured Party in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of the transactions contemplated by this Agreement, the filing or recording of any documents (including all taxes in connection therewith) in public offices; the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Patent Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Patent Collateral, shall be borne and paid by Grantor on demand by Secured Party and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the rate applicable to defaulted obligations under the Note.

11. Grantor shall (i) prosecute diligently any United States Patent applications (provided, that Grantor shall make all necessary Patent Cooperation Treaty applications and national phase applications) pending as of the date of this Agreement or thereafter until the Obligations shall have been indefeasibly paid in full, (ii) make application on unpatented but patentable inventions and (iii) preserve and maintain all rights in United States Patent applications and Patent Collateral, including without limitation, the payment of all maintenance fees. Any expenses incurred in connection with such an application shall be borne by Grantor.

The Grantor shall not abandon any right to file a United States Patent application, or any pending United States Patent application or Patent Collateral without the consent of Secured Party.

12. No course of dealing between Grantor and Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of Secured Party, any right, power or privilege hereunder or under the Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

13. All of Secured Party's rights and remedies with respect to the Patent Collateral, whether established hereby or by the Line Documents, or any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

14. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such provision shall be ineffective only to the extent and duration of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

15. Grantor acknowledges and understands that Secured Party may sell, assign and/or transfer in accordance with the provisions of this Agreement all or part of its interest hereunder to any person or entity (a "*Transferee*") without notice to or consent of Grantor. After such assignment, the term "Secured Party" as used in this Agreement shall mean and include such Transferee, and such Transferee shall be vested with all rights, powers and remedies of Secured Party hereunder with respect to the interest so assigned; but with respect to any such interest not so transferred, Secured Party shall retain all rights, powers and remedies hereby given. No such assignment by Secured Party shall relieve Grantor of any of its obligations hereunder. Grantor may not sell, assign or transfer its rights and obligations hereunder without the prior written consent of Secured Party.

16. This Agreement is subject to modification only by a writing signed by both parties, except as provided in paragraph 6.

17. Upon payment in full of all of the Obligations (other than inchoate indemnification obligations of Grantor under any Line Documents as to which no claim has been made) and the expiration of any obligation of the Secured Party to extend credit accommodations to the Guarantor, this Agreement shall terminate and all rights to the Patent Collateral shall revert to the Grantor, except to the extent previously applied in accordance with the terms of this Agreement and applicable law to the satisfaction of the Secured Obligations.

18. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the internal laws of the State of New York, excluding conflict of laws principles that would cause the application of laws of any other jurisdiction. To the extent the provisions of the Uniform Commercial Code govern any aspect of this Agreement, the Uniform Commercial Code as the same is, from time to time, in effect in the State of New York shall govern; provided, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect

to, the security interest granted on the Patent Collateral is required to be governed by the Uniform Commercial Code as the same is, from time to time, in effect in a jurisdiction other than the State of New York, then such jurisdiction's Uniform Commercial Code, as in effect, from time to time, shall govern only to the extent required by applicable law.

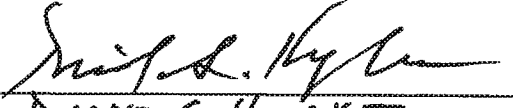
19. The parties hereto agree that any suit, action or proceeding with respect to this Agreement shall be brought and maintained exclusively in the courts of the City, County and State of New York and the United States District Court for the Southern District of New York; *provided, that* nothing in this Agreement shall be deemed or operate to preclude Secured Party from bringing suit or taking other legal action in any other jurisdiction if such action is brought in connection with enforcing any of Secured Party's rights against Grantor or with respect to the Patent Collateral. The parties hereto hereby expressly and irrevocably submit to the jurisdiction of such courts for the purpose of any such suit, action or proceeding. The parties hereto hereby irrevocably waive, to the fullest extent permitted by law, any objection that any of them may now or hereafter have to venue of any suit, action or proceeding arising out of or relating to this Agreement or any judgment entered by any court in respect thereof brought in any such court referred to above, and hereby further irrevocably waive any claim that any such suit, action or proceeding has been brought in an inconvenient forum. Service of process on any party hereto in any action arising out of or relating to this Agreement shall be effective if given in accordance with the Note.

*[Remainder of page intentionally left blank]*



IN WITNESS WHEREOF, each of the parties hereto, by their respective officers, have executed this Agreement as of the day and year first above written.

CHAMELEON SCIENTIFIC CORPORATION

By:   
Name: DAVID G. HUGHES  
Title: PRESIDENT & CEO

SUMMIT LIFE SCIENCE PARTNERS LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

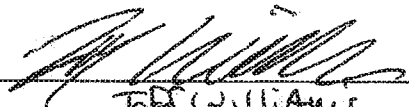
*[Signature Page to Patent Grant of Security Interest]*

IN WITNESS WHEREOF, each of the parties hereto, by their respective officers, have executed this Agreement as of the day and year first above written.

CHAMELEON SCIENTIFIC CORPORATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SUMMIT LIFE SCIENCE PARTNERS LLC

By:  \_\_\_\_\_  
Name: J. B. Williams  
Title: General Partner

*[Signature Page to Patent Grant of Security Interest]*

**SCHEDULE 1**  
**TO**  
**PATENT GRANT OF SECURITY INTEREST**

<b>PATENTS</b>			
<b>Name</b>	<b>Status and Date Issued</b>	<b>Application Number</b>	<b>Patent Number</b>
Molecular Plasma Deposition of Colloidal Materials	Issued - July 31, 2007		7,250,195

<b>PATENT APPLICATIONS</b>		
<b>Name</b>	<b>Status and Date Filed</b>	<b>Application Number</b>
Conductive Metal Thin Coatings for Implantable Medical Sensing Devices	Active -- September 16, 2009	12/586,031
Antimicrobial Coating Methods	Active - April 19, 2006	11/406,607
Ultraviolet Activated Antimicrobial Surfaces	Active - October 3, 2006	11/542,531
Inhibitory Cell Adhesion Surfaces	Active - April 24, 2008	12/148,971
Inhibitory Cell Adhesion Surfaces	Active - Not yet published -- February 16, 2010	12/706,315
Spinulose Titanium Nanoparticulate Surfaces	Active - Not yet published -- October 31, 2007	11/932,831
Polymer coated spinulose metal surfaces	Active - May 16, 2008	12/152,698
Spinulose Surfaces	Active -- October 31, 2008	PCT/US2008/012348
Hydroxyapatite Coated Nanostructured Titanium Surfaces	Active - September 13, 2007	11/900,865
Hydroxyapatite Coated Nanostructured Titanium Surfaces	Active -- July 10, 2008	PCT/US2008/069599
Atomic Plasma Deposited Coatings for Cell Adhesion	Not yet published	61/072,981
Modified Surfaces for Attachment of Biological Materials	Active -- November 20, 2006	11/603,436

Apparatus and Methods for Nano Plasma Deposition	Active - January 23, 2007	11/657,222
Radiopaque Coatings for Polymer Substrates	Active – October 3, 2006	11/542,557
Chrome Coated Surfaces and Deposition Methods Therefor	Active - November 6, 2006	11/593,701
Nano Film Protective and Release Matrices	Active- December 18, 2008	PCT/US08/013918
Biocompatible Coated Nanostructure Titanium Surfaces	Active - June 29, 2007	11/771,933
Molecular Plasma Deposition of Bioactive Small Molecules	Active - June 12, 2008	11/771,113

<b>PATENT LICENSES - NONE</b>
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