

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
Expression Pathology Incorporated	12/06/2012

RECEIVING PARTY DATA

Name:	California Capital Equity LLC
Street Address:	11755 Wilshire Boulevard
Internal Address:	Suite 2000
City:	Los Angeles
State/Country:	CALIFORNIA
Postal Code:	90025

Name:	Nant Capital LLC
Street Address:	11755 Wilshire Boulevard
Internal Address:	Suite 2000
City:	Los Angeles
State/Country:	CALIFORNIA
Postal Code:	90025

PROPERTY NUMBERS Total: 43

Property Type	Number
Patent Number:	7473532
Patent Number:	7906301
Patent Number:	8293485
Application Number:	12348868
Application Number:	11915581
Application Number:	12666288
Application Number:	12937222
Application Number:	12294423

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Application Number:	61348712
Application Number:	61369411
Application Number:	61421206
Application Number:	13529875
Application Number:	13529902
Application Number:	13529907
Application Number:	13529897
Application Number:	61427396
Application Number:	61428145
Application Number:	61428147
Application Number:	61428160
Application Number:	61432462
Application Number:	61538091
Application Number:	61537918
Application Number:	61538096
Application Number:	61543092
Application Number:	61543106
PCT Number:	US0407142
PCT Number:	US0620166
PCT Number:	US0620167
PCT Number:	US0867937
PCT Number:	US0940399
PCT Number:	US0764924
PCT Number:	US1138196
PCT Number:	US1145960
PCT Number:	US1164045
PCT Number:	US1061924
PCT Number:	US1061909
PCT Number:	US1061925
PCT Number:	US1061916
PCT Number:	US1167439
PCT Number:	US1167996
PCT Number:	US1167998
PCT Number:	US1168000
PCT Number:	US1221283

**PATENT**

**REEL: 029441 FRAME: 0608**

Fax Number:

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

Phone: 626-993-8424

Email: sean@rothmanandcompany.com

Correspondent Name: Sean Brady

Address Line 1: 842 La Vina Lane

Address Line 4: Altadena, CALIFORNIA 91001

NAME OF SUBMITTER:

Sean Brady

This document serves as an Oath/Declaration (37 CFR 1.63).

Total Attachments: 15

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## SECURITY AGREEMENT

This SECURITY AGREEMENT (this "Agreement") is made and entered into as of December 6, 2012 between Expression Pathology Incorporated dba OncoPlex Diagnostics, a Maryland corporation ("Grantor"), on the one hand, and California Capital Equity, LLC, a Delaware limited liability company ("Cal Cap"), and Nant Capital, LLC, a Delaware limited liability company and an affiliate of Cal Cap ("Nant Capital" and together with Cal Cap, collectively, "Secured Party"), on the other hand.

### WITNESSETH

WHEREAS, Nant Capital and Grantor have executed a Secured Convertible Note and Warrant Purchase Agreement of even date herewith (the "Purchase Agreement");

WHEREAS, in connection with the Purchase Agreement, the parties have agreed to amend the Convertible Promissory Note dated October 27, 2011 with an aggregate principal amount of \$2,500,000 issued by Grantor in favor of Cal Cap (as amended, the "Existing Note") to, among other things, extend the maturity date thereof and to secure the obligations thereunder through this Agreement;

WHEREAS, in order to induce Secured Party to enter into the Purchase Agreement and the other Transaction Documents, Grantor has agreed to grant a continuing security interest in and to the Collateral in order to secure the prompt and complete payment, observance and performance of (a) all of the present and future obligations of Grantor arising from this Agreement and other Transaction Documents, (b) all Obligations of Grantor, including, in the case of each of clauses (a) and (b), reasonable attorney fees and expenses and any interest, fees or expenses that accrue after the filing of an insolvency proceeding to the extent permitted by applicable law (clauses (a) and (b) being hereinafter referred to as the "Secured Obligations");

NOW, THEREFORE, for and in consideration of the recitals made above and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. All capitalized terms used herein without definition shall have the meanings ascribed thereto in the Purchase Agreement and the Note. Any terms used in this Agreement that are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein or in the Purchase Agreement; provided, that to the extent that the Code is used to define any term herein and such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 of the Code shall govern. In addition to those terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

- (a) "Account" means an account (as that term is defined in the Code).

(b) “Account Debtor” means an account debtor (as that term is defined in the Code).

(c) “Books” means books and records pertaining to the Collateral.

(d) “Chattel Paper” means chattel paper (as that term is defined in the Code) and includes tangible chattel paper and Electronic Chattel Paper.

(e) “Code” means the New York Uniform Commercial Code, as in effect from time to time; provided, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, priority or remedies with respect to Secured Party’s Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of California, the term “Code” shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies.

(f) “Deposit Account” means any deposit account (as that term is defined in the Code).

(g) “Documents” means documents (as that term is defined in the Code).

(h) “Electronic Chattel Paper” means electronic chattel paper (as that term is defined in the Code).

(i) “Equipment” means equipment (as that term is defined in the Code).

(j) “General Intangibles” means general intangibles (as that term is defined in the Code).

(k) “Goods” means goods (as that term is defined in the Code).

(l) “Instruments” means instruments (as that term is defined in the Code).

(m) “Intellectual Property” means any and all Intellectual Property Licenses, Patents, copyrights, Trademarks, the goodwill associated with such Trademarks, trade secrets and customer lists.

(n) “Intellectual Property Licenses” means rights under or interest in any Patent, Trademark, copyright or other Intellectual Property, including software license agreements with any other party, whether the Grantor is a licensee or licensor under any such license agreement.

(o) “Inventory” means inventory (as that term is defined in the Code).

(p) “Investment Property” means investment property (as that term is defined in the Code).

(q) “Letter-of-Credit Rights” means Letter-of-Credit Rights (as that term is defined in the Code).

(r) “Obligations” means all loans, advances, debts, principal, interest (including any interest that accrues after the commencement of an insolvency proceeding to the extent permitted by applicable law)), contingent reimbursement obligations with respect to outstanding letters of credit, premiums, liabilities, obligations (including indemnification obligations), fees, charges, costs, lease payments, guaranties, covenants, and duties of any kind and description owing by Grantor to Secured Party pursuant to or evidenced by the Transaction Documents and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all interest not paid when due and all other expenses or other amounts that Grantor is required to pay or reimburse by the Transaction Documents or by law or otherwise in connection with the Transaction Documents. Any reference in the Agreement or in the Transaction Documents to the Obligations shall include all or any portion thereof and any extensions, modifications, renewals or alterations thereof, both prior and subsequent to any insolvency proceeding.

(s) “Patents” means patents and patent applications.

(t) “Person” means natural persons, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof.

(u) “Proceeds” means proceeds (as that term is defined in the Code).

(v) “Promissory Note” means a promissory note (as that term is defined in the Code).

(w) “Real Property” means any estates or interests in real property now owned or hereafter acquired by Grantor and the improvements thereto.

(x) “Records” means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

(y) “Securities Account” means a securities account (as that term is defined in the Code).

(z) “Supporting Obligations” means all supporting obligations (as that term is defined in the Code).

(aa) "Trademarks" means trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications.

(bb) "Transaction Documents" means this Agreement, the Purchase Agreement, the Note, the Existing Note, the Warrant, the any letters of credit, any mortgages, any additional security agreement and any other agreement entered into, now or in the future, by Grantor or any of its subsidiaries and the Secured Party in connection with this Agreement, provided that, to be considered a "Transaction Document," any such agreement or instrument other than this Agreement, the Purchase Agreement, the Note, the Existing Note and the Warrant shall explicitly refer to this Agreement and state that the Grantor's obligations thereunder are intended to be "Obligations" hereunder.

(cc) "URL" means "uniform resource locator," an internet web address.

2. Grant of Security. Grantor hereby unconditionally grants, assigns and pledges to Secured Party a continuing security interest (hereinafter referred to as the "Security Interest") in all of Grantor's right, title and interest in and to the following, whether now owned or hereafter acquired or arising and wherever located (the "Collateral"):

- (a) all Accounts;
- (b) all Books;
- (c) all Chattel Paper;
- (d) all Deposit Accounts;
- (e) all Documents;
- (f) all Goods, including Equipment and fixtures;
- (g) all General Intangibles;
- (h) all Instruments;
- (i) all Inventory;
- (j) all Investment Property;
- (k) all Letter-of-Credit Rights and letters of credit;
- (l) all Promissory Notes; and
- (m) to the extent not otherwise included, all money, all products and Proceeds of any and all of the foregoing, and all Supporting Obligations of any and all of the foregoing..

3. Security for Obligations. This Agreement and the Security Interest created hereby secures the payment and performance of all of the Secured Obligations, whether now existing or arising hereafter. Without limiting the generality of the foregoing, and to the extent permitted by applicable law, this Agreement secures the payment of all amounts which constitute part of the Secured Obligations and would be owed by Grantor to Secured Party, but for the fact that they are unenforceable or not allowable due to the existence of an insolvency proceeding involving Grantor.

4. Grantor Remains Liable. Anything herein to the contrary notwithstanding, (a) Grantor shall remain liable under the contracts and agreements included in the Collateral to perform all of the duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by Secured Party of any of the rights hereunder shall not release Grantor from any of its duties or obligations under such contracts and agreements included in the Collateral and (c) Grantor shall not have any obligation or liability under such contracts and agreements included in the Collateral by reason of this Agreement, nor shall Secured Party be obligated to perform any of the obligations or duties of Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder. Until an Event of Default shall occur and be continuing, except as otherwise provided in this Agreement or the other Transaction Documents, Grantor shall have the right to possession and enjoyment of the Collateral for the purpose of conducting its business in the ordinary course, subject to and upon the terms hereof and of the Note and the other Transaction Documents. Without limiting the generality of the foregoing, it is the intention of the parties hereto that so long as no Event of Default shall have occurred and be continuing, any purchaser for value of assets disposed by Grantor in the ordinary course of business for fair value and as permitted by the terms of the Note and the Existing Note shall receive such assets free and clear of any lien or claim of Secured Party hereunder.

5. Representations and Warranties. Grantor hereby represents and warrants as follows:

(a) The exact legal name of Grantor is set forth on the signature pages of this Agreement or a written notice provided to Secured Party pursuant to this Agreement.

(b) This Agreement creates a valid security interest in the Collateral of Grantor, to the extent a security interest therein can be created under the Code, securing the payment of the Secured Obligations. Grantor shall execute any and all financing statements listing Grantor, as a debtor, and Secured Party, as secured party, and take such other actions, each as may be reasonably requested by Secured Party as necessary or desirable to perfect and protect such security interest. Grantor has not granted a security interest in the Collateral to any other Person, other than Permitted Liens.

(c) Except for the Security Interest created hereby, Grantor is and will at all times be the sole holder of record and the legal and beneficial owner, free and clear of all Liens other than Permitted Liens, of the Collateral.



(d) No consent, approval, authorization or other order or other action by, and no notice to or filing with, any Governmental Authority or any other Person is required on the part of Grantor for the grant of the Security Interest by Grantor in and to the Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Grantor.

6. Covenants. Grantor covenants and agrees with Secured Party that from and after the date of this Agreement and until the date of termination of this Agreement:

(a) Real Property; Fixtures. Upon the acquisition of any fee interest in Real Property it will promptly (and in any event within 5 Business Days of acquisition) notify Secured Party of the acquisition of such Real Property and will grant to Secured Party a mortgage on each fee interest in Real Property now or hereafter owned by Grantor and shall deliver such other documentation and opinions, in form and substance satisfactory to Secured Party, in connection with the grant of such mortgage as Secured Party shall reasonably request, including title insurance policies, financing statements, fixture filings and environmental audits and Grantor shall pay all reasonable recording costs, intangible taxes and other fees and costs (including reasonable attorneys fees and expenses) incurred in connection therewith. Grantor acknowledges and agrees that, to the extent permitted by applicable law, all of the Collateral shall remain personal property regardless of the manner of its attachment or affixation to real property.

(b) Transfers and Other Liens. Grantor shall not (i) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of the Collateral, other than (a) in the ordinary course of business for fair value consistent with past practices before the date of this Agreement or (b) to the extent permitted by the Purchase Agreement, the Note or the Existing Note; provided that no such sale, assignment, disposition or transfer of Investment Property or Instruments shall be permitted while any Event of Default exists; or (ii) create or permit to exist any Lien upon or with respect to any of the Collateral of Grantor, except for Permitted Liens. The inclusion of Proceeds in the Collateral shall not be deemed to constitute Secured Party's consent to any sale or other disposition of any of the Collateral except as expressly permitted in this Agreement or the other Transaction Documents.

(c) Other Actions as to Any and All Collateral. Grantor shall notify Secured Party in writing once every six months from the date of this Agreement of (i) any Collateral consisting of Trademarks, Patents, copyrights, Intellectual Property Licenses, Chattel Paper (electronic, tangible or otherwise), Documents, Promissory Notes, or Instruments, in which Grantor has acquired any right, title or interest in the previous six month period and (ii) any amount payable under or in connection with any of the Collateral being or becoming evidenced in such previous six month period by any Chattel Paper, Documents, Promissory Notes, or Instruments. Following such notice, in each such case upon the request of Secured Party, Grantor shall promptly execute such other documents, or if applicable, deliver such Chattel Paper or other documents and do such other acts or things deemed necessary or desirable by Secured Party to protect Secured Party's Security Interest therein.

7. Further Assurances.

(a) Grantor agrees that from time to time, at its own expense, Grantor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or that Secured Party may reasonably request, in order to perfect and protect any Security Interest granted or purported to be granted hereby or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to any of the Collateral.

(b) Grantor authorizes the filing by Secured Party of financing or continuation statements, or amendments thereto, and Grantor will execute and deliver to Secured Party such other instruments or notices, as may be necessary or as Secured Party may reasonably request, in order to perfect and preserve the Security Interest granted or purported to be granted hereby, including but not limited to such filings with the U.S. Patent and Trademark Office, U.S. Copyright Office and analogous foreign offices as the Secured Party may reasonably request.

(c) Grantor authorizes Secured Party at any time and from time to time to file, transmit or communicate, as applicable, financing statements and amendments (i) describing the Collateral as "all personal property of debtor" or "all assets of debtor" or words of similar effect, (ii) describing the Collateral as being of equal or lesser scope or with greater detail, or (iii) that contain any information required, or believed in good faith by the Secured Party to be required, by part 5 of Article 9 of the Code for the sufficiency of the financing statement or amendment or for filing office acceptance.

(d) Grantor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement filed in connection with this Agreement without the prior written consent of Secured Party, subject to Grantor's rights under Section 9-509(d)(2) of the Code.

8. Secured Party's Right to Perform Contracts. Upon the occurrence and during the continuance of an Event of Default, Secured Party (or its designee) may proceed to perform any and all of the obligations of Grantor contained in any contract, lease or other agreement and exercise any and all rights of Grantor therein contained as fully as Grantor itself could.

9. Secured Party Appointed Attorney-in-Fact. Grantor hereby irrevocably appoints Secured Party its attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor or otherwise, at such time as an Event of Default has occurred and is continuing under the Note and/or the Existing Note, to take any action and to execute any instrument which Secured Party may reasonably deem necessary or advisable to accomplish the purposes of this Agreement, including:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in connection with the Accounts or any other Collateral of Grantor;

(b) to receive, indorse and collect any drafts or other Instruments, Documents, Promissory Notes, letters of credit or Chattel Paper;

(c) to file any claims or take any action or institute any proceedings which Secured Party may deem necessary or desirable for the collection of any of the Collateral of Grantor or otherwise to enforce the rights of Secured Party with respect to any of the Collateral;

(d) to repair, alter or supply goods, if any, necessary to fulfill in whole or in part the purchase order of any Person obligated to Grantor in respect of any Account of Grantor;

(e) to use any labels, Patents, Trademarks, trade names, URLs, domain names, industrial designs, copyrights, advertising matter or other industrial or intellectual property rights, in advertising for sale and selling Inventory and other Collateral and to collect any amounts due under Accounts, contracts, General Intangibles, Promissory Notes, letters of credit or Instruments of Grantor; and

Secured Party shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Trademarks, Patents, copyrights and Intellectual Property Licenses and, if Secured Party shall commence any such suit, Grantor shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents reasonably required by Secured Party in aid of such enforcement.

To the extent permitted by law, Grantor hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement is terminated.

10. Secured Party May Perform. If Grantor fails to perform any agreement contained herein, Secured Party may itself perform, or cause performance of, such agreement, and the reasonable expenses of Secured Party incurred in connection therewith shall be payable by Grantor.

11. Secured Party's Duties. The powers conferred on Secured Party hereunder are solely to protect Secured Party's interest in the Collateral and shall not impose any duty upon Secured Party to exercise any such powers. Except for the safe custody of any Collateral in its actual possession and the accounting for moneys actually received by it hereunder, Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its actual possession if such Collateral is accorded treatment substantially equal to that which Secured Party accords its own property of a like nature.

12. Collection of Accounts, General Intangibles, Promissory Notes, Letters of Credit and Instruments. At any time upon the occurrence and during the continuation of an Event of Default, Secured Party or Secured Party's designee may (a) notify Account Debtors of Grantor that the Accounts, General Intangibles, Chattel Paper, Promissory

Notes, letters of credit or Instruments have been assigned to Secured Party or that Secured Party has a security interest therein, and (b) collect the Accounts, General Intangibles, Promissory Notes, letters of credit and Instruments directly, and any collection costs and expenses shall constitute part of Grantor's Secured Obligations under the Transaction Documents.

13. Remedies. Upon the occurrence and during the continuance of an Event of Default:

(a) Secured Party may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein, in the other Transaction Documents, or otherwise available to it, all the rights and remedies of a secured party on default under the Code or any other applicable law. Without limiting the generality of the foregoing, Grantor expressly agrees that, in any such event, Secured Party without demand of performance or other demand, advertisement or notice of any kind (except a notice specified below of time and place of public or private sale) to or upon Grantor or any other Person (all and each of which demands, advertisements and notices are hereby expressly waived to the maximum extent permitted by the Code or any other applicable law), may, but only without breach of the peace, take immediate possession of all or any portion of the Collateral and (i) require Grantor to, and Grantor hereby agrees that it will at its own expense and upon request of Secured Party forthwith, assemble all or part of the Collateral as directed by Secured Party and make it available to Secured Party at one or more locations where Grantor regularly maintains Inventory, and (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of Secured Party's offices or elsewhere, for cash, on credit, and upon commercially reasonable terms. Grantor agrees that, to the extent notice of sale shall be required by law, at least 10 days notice to Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification and specifically such notice shall constitute a reasonable "authenticated notification of disposition" within the meaning of Section 9-611 of the Code. Secured Party shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Secured Party is hereby granted a license or other right to use, without liability for royalties or any other charge, Grantor's labels, Patents, copyrights, rights of use of any name, trade secrets, trade names, Trademarks, service marks and advertising matter, URLs, domain names, industrial designs, other industrial or intellectual property or any property of a similar nature, whether owned by Grantor or with respect to which Grantor has rights under license, sublicense, or other agreements, as it pertains to the Collateral, in preparing for sale, advertising for sale and selling any Collateral, and Grantor's rights under all licenses and all franchise agreements shall inure to the benefit of Secured Party.

(c) Any cash held by Secured Party as Collateral and all cash Proceeds received by Secured Party in respect of any sale of, collection from, or other realization

upon all or any part of the Collateral shall be applied against the Secured Obligations. In the event the Proceeds of Collateral are insufficient to satisfy all of the Secured Obligations in full, Grantor shall remain liable for any such deficiency. In the event the Proceeds of Collateral are in excess of the amount necessary to satisfy all of the Secured Obligations in full, Secured Party shall promptly pay such excess to Grantor, and all obligations under the Transaction Documents shall be considered satisfied and therefore cease.

(d) Grantor hereby acknowledges that the Secured Obligations arose out of a commercial transaction, and agrees that if an Event of Default shall occur and be continuing, Secured Party shall have the right to an immediate writ of possession without notice of a hearing. Secured Party shall have the right (to the extent and in the manner provided by applicable law) to the appointment of a receiver for the properties and assets of Grantor, and Grantor hereby consents to such rights and such appointment and hereby waives any objection Grantor may have thereto or the right to have a bond or other security posted by Secured Party.

14. Remedies Cumulative. Each right, power and remedy of Secured Party as provided for in this Agreement or in the other Transaction Documents or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Agreement or in the other Transaction Documents or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Secured Party, of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by Secured Party of any or all such other rights, powers or remedies.

15. Marshaling. Secured Party shall not be required to marshal any present or future collateral security (including but not limited to the Collateral) for, or other assurances of payment of, the Secured Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, Grantor hereby agrees that it will not invoke any law relating to the marshaling of collateral which might cause delay in or impede the enforcement of Secured Party's rights and remedies under this Agreement or under any other instrument creating or evidencing any of the Secured Obligations or under which any of the Secured Obligations is outstanding or by which any of the Secured Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, Grantor hereby irrevocably waives the benefits of all such laws.

16. Indemnity and Expenses.

(a) Grantor agrees to indemnify Secured Party from and against all claims, lawsuits and liabilities (including reasonable attorneys fees) growing out of or resulting from this Agreement (including enforcement of this Agreement) or any other

Transaction Document to which such Grantor is a party, except claims, losses or liabilities resulting from the gross negligence or willful misconduct of the party seeking indemnification as determined by a final non-appealable order of a court of competent jurisdiction. This provision shall survive the termination of this Agreement, the Note and the Existing Note and the repayment of the Secured Obligations.

(b) Grantor shall, upon demand, pay to Secured Party all expenses incurred by Secured Party in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or, upon an Event of Default, the sale of, collection from, or other realization upon, any of the Collateral in accordance with this Agreement and the other Transaction Documents, (iii) the exercise or enforcement of any of the rights of Secured Party hereunder and (iv) the failure by Grantor to perform or observe any of the provisions hereof.

17. Merger, Amendments; Etc. THIS WRITTEN AGREEMENT, TOGETHER WITH THE OTHER TRANSACTION DOCUMENTS, REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES. No waiver of any provision of this Agreement, and no consent to any departure by Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by Secured Party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No amendment of any provision of this Agreement shall be effective unless the same shall be in writing and signed by Secured Party and Grantor to which such amendment applies.

18. Addresses for Notices. All notices and other communications provided for hereunder shall be given in accordance with the notice provisions in the Purchase Agreement.

19. Continuing Security Interest: Assignments. This Agreement shall create a continuing security interest in the Collateral and shall (a) remain in full force and effect until the Obligations have been paid in full in cash in accordance with the provisions of the Note and the Existing Note, (b) be binding upon Grantor, and its respective successors and assigns and (c) inure to the benefit of, and be enforceable by, Secured Party, and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), Secured Party may, in accordance with the provisions of the Note and/or the Existing Note, assign or otherwise transfer all or any portion of its rights and obligations under the Note and/or the Existing Note to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to Secured Party. Upon payment in full in cash of the Obligations in accordance with the provisions of the Note and the Existing Note, the Security Interest granted hereby shall terminate and all rights to the Collateral shall revert to Grantor or any other Person entitled thereto. At such time, Secured Party will authorize the filing of appropriate termination statements to terminate the Security Interest. No transfer or renewal, extension, assignment or termination of this Agreement, any other Transaction

Documents, or any other instrument or document executed and delivered by Grantor to Secured Party nor any additional notes or other loans made by any the Secured Party to Grantor, nor the taking of further security, nor the retaking or re-delivery of the Collateral to Grantor by Secured Party, nor any other act of Secured Party, shall release Grantor from any obligation, except a release or discharge executed in writing by Secured Party. Secured Party shall not by any act, delay, omission or otherwise, be deemed to have waived any of its rights or remedies hereunder, unless such waiver is in writing and signed by Secured Party and then only to the extent therein set forth. A waiver by Secured Party of any right or remedy on any occasion shall not be construed as a bar to the exercise of any such right or remedy which Secured Party would otherwise have had on any other occasion.

20. Governing Law; Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflict of laws. The Company and the Investor irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the United States District Court for the Southern District of New York for any actions, suits or proceedings arising out of or relating to this Agreement and the transactions contemplated hereby (and such party agrees not to commence any action, suit or proceeding relating thereto except in such court. Grantor and Secured Party hereby irrevocably and unconditionally waive any objection which it may now or hereafter have to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in the United States District Court for the Southern District of New York, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. Grantor and Secured Party hereby irrevocably and unconditionally waive, to the maximum extent permitted by applicable law, any right to a trial by jury with respect to any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby.

21. Miscellaneous.

(a) This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

(b) Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

(c) Headings used in this Agreement are for convenience only and shall not be used in connection with the interpretation of any provision hereof.

(d) The pronouns used herein shall include, when appropriate, either gender and both singular and plural, and the grammatical construction of sentences shall conform thereto.

(e) Unless the context of this Agreement or the other Transaction Documents clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms “includes” and “including” are not limiting, and the term “or” has, except where otherwise indicated, the inclusive meaning represented by the phrase “and/or.” The words “hereof,” “herein,” “hereby,” “hereunder” and similar terms in this Agreement or the other Transaction Documents refer to this Agreement or the other Transaction Documents, as the case may be, as a whole and not to any particular provision of this Agreement or the other Transaction Documents, as the case may be. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement or in the other Transaction Documents to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). Any reference herein or in the other Transaction Documents to the satisfaction or repayment in full of the Obligations shall mean the repayment in full in cash (or cash collateralization in accordance with the terms hereof) of all Obligations other than unasserted contingent indemnification Obligations. Any reference herein to any Person shall be construed to include such Person’s successors and assigns. Any requirement of a writing contained herein or in any other Transaction Document shall be satisfied by the transmission of a Record and any Record so transmitted shall constitute a representation and warranty as to the accuracy and completeness of the information contained therein.

\* \* \* \* \*



IN WITNESS WHEREOF, the parties have executed this Security Agreement as of the date first above written.

**GRANTOR:**

**EXPRESSION PATHOLOGY  
INCORPORATED**

By: Jon Bullans

Name: JON BULLANS

Title: PRESIDENT / CEO

**SECURED PARTY:**

**CALIFORNIA CAPITAL EQUITY, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**NANT CAPITAL, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Security Agreement as of the date first above written.

**GRANTOR:**

**EXPRESSION PATHOLOGY  
INCORPORATED**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SECURED PARTY:**

**CALIFORNIA CAPITAL EQUITY, LLC**

By:  \_\_\_\_\_

Name: *C. Kennedy* \_\_\_\_\_

Title: *Mngr* \_\_\_\_\_

**NANT CAPITAL, LLC**

By:  \_\_\_\_\_

Name: *C. Kennedy* \_\_\_\_\_

Title: *Mngr* \_\_\_\_\_