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Send original documents or copy thereof.

To the Honorable Commissioner of Patents

1. Name of conveying party(ies):

ADAC Laboratories

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

2. Name and address of receiving party(ies)

Name: ABN AMRO BANK, N.V., as Agent

Internal Address: Maria Vickroy - Peralta

Street Address: 101 California St., #4500

City: San Francisco State: CA ZIP: 94111

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

3. Nature of conveyance:

- Assignment Merger
- Security Agreement Change of Name
- Other _____

Execution Date: _____

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s)

09/062,226

B. Patent No.(s)

Additional numbers attached? Yes No

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

Name: Dolph M. Hellman, Esq.

Internal Address: Orrick, Herrington & Sutcliffe LLP

Street Address: 400 Sansome Street

City: San Francisco State: CA ZIP: 94111

6. Total number of applications and patents involved:

1

7. Total fee (37 CFR 3.41).....\$ 90⁰⁰

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

20-0052
(Attach duplicate copy of this page if paying by deposit account)

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9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Christina E. Wilcox
Dolph M. Hellman
Name of Person Signing

Dolph M. Hellman
Signature

10-15-99
Date

Total number of pages including cover sheet, attachments, and document: 7

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

GRANT OF SECURITY INTEREST

(PATENT APPLICATION)

THIS GRANT OF SECURITY INTEREST, dated as of August 17, 1999 is executed by ADAC LABORATORIES, a California corporation ("Borrower"), in favor of ABN AMRO BANK N.V., a Netherlands public company acting through its San Francisco Representative Office, acting as agent (in such capacity, "Agent") for the financial institutions which are from time to time parties to the Credit Agreement referred to in Recital A below (collectively, the "Lenders").

A. Pursuant to an Amended and Restated Credit Agreement, dated as of August 17, 1999 (as amended from time to time, the "Credit Agreement"), among Borrower, the Lenders and Agent, the Lenders have agreed to extend certain credit facilities to Borrower upon the terms and subject to the conditions set forth therein.

B. Borrower owns the application for letters patent of the United States referenced as application number 09/062,226 (the "Patent Application").

C. Borrower has entered into a Security Agreement (Intellectual Property) dated the date hereof (the "Security Agreement") in favor of Agent (for the ratable benefit of the Lenders and Agent).

D. Pursuant to the Security Agreement, Borrower has assigned and granted to Agent (for the ratable benefit of the Lenders and Agent) a security interest in, *inter alia*, all right, title and interest of Borrower in and to the Patent Application, together with any reissue, continuation, continuation-in-part or extension thereof, and all proceeds thereof, including any and all causes of action which may exist by reason of infringement thereof (the "Collateral"), to secure the prompt payment, performance and observance of the Secured Obligations, as defined in the Security Agreement;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Borrower does hereby further assign, transfer and convey unto Agent and grant to Agent a security interest in the Collateral to secure the prompt payment, performance and observance of the Secured Obligations.

Borrower does hereby further acknowledge and affirm that the rights and remedies of Agent with respect to the assignment of and security interest in the Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

Agent's address is:

ABN AMRO BANK N.V.
101 California Street, Suite 4550
San Francisco, CA 94111-5812
Attn: Maria Vickroy Peralta
Telephone: (415) 984-3704
Fax No.: (415) 362-3524

IN WITNESS WHEREOF, Borrower has caused this Agreement to be executed as of the day and year first above written.

ADAC LABORATORIES

By: 
Name: Neil J. Laird _____
Title: Chief Financial Officer

STATE OF CALIFORNIA)
)
COUNTY OF SANTA CLARA)

On October 29, 1999 before me, Dorothy Beck, personally appeared Neil J. Laird, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in her/her/their authorized capacity(ies), and that by his/her/their signature(s) on such instrument the person or entity on behalf of which the person(s) acted executed the instrument.

WITNESS my hand and official seal.

Signature *Dorothy Beck* (S)eal)
Notary Public

