

10-24-2003



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Submission Type

New

Resubmission (Non-Recordation)
Document ID#

Correction of PTO Error
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Conveyance Type

Assignment Security Agreement

License Change of Name

Merger Other
(For Use ONLY by U.S. Government Agencies)

Departmental File Secret File

Conveying Party(ies)

Mark if additional names of conveying parties attached

Name (line 1) Execution Date Month Day Year

Name (line 2)

Second Party Name (line 1) Execution Date Month Day Year

Name (line 2)

Receiving Party

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Name (line 1) If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

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PATENT
REEL: 014615 FRAME: 0138

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Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Application Number(s) or Patent Number(s)

Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

Patent Number(s)

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="6,530,934"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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If this document is being filed together with a new Patent Application, enter the date the patent application was

Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number only if a U.S. Application Number has not been assigned.

PCT <input type="text"/>	PCT <input type="text"/>	PCT <input type="text"/>
PCT <input type="text"/>	PCT <input type="text"/>	PCT <input type="text"/>

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the Deposit Account Number: #

Authorization to charge additional fees: Yes No

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. Charges to deposit account are authorized, as indicated herein.

Allan W. Watts, Reg. No. 45,930

Name of Person Signing

 10-20-03

Signature

Date

**IN THE UNITED STATES PATENT
AND TRADEMARK OFFICE**

-- PATENT --

Inventor(s):	Jacobsen, et al.	Docket No.:	39884.5100
Patent No.:	US 6,530,934	Issue Date:	March 11, 2003
Filing Date:	June 6, 2000	Application No:	09/588,251
Title:	EMBOLIC DEVICE COMPOSED OF A LINEAR SEQUENCE OF MINIATURE BEADS		

**DECLARATION OF STATUS
UNDER THE ASSIGNMENT AGREEMENT**

I hereby declare that I am an employee of Precision Vascular Systems Inc. (Precision Vascular), and that my duties and responsibilities include extensive involvement with the technology Precision Vascular uses and the patents and patent applications for this and related technology.

I hereby state that I have reviewed and understand the contents of the above-identified patent, including the claims.

In addition, I hereby state that I have reviewed the attached June 1998 TECHNOLOGY ASSIGNMENT AGREEMENT between Precision Vascular and Sarcos Inc., and also the attached list of Assigned Technology. I further state that I have reviewed the relevant matters identified on the list of Assigned Technology, including docket number T3015 described below.

Accordingly, I declare that the above invention titled EMBOLIC DEVICE COMPOSED OF A LINEAR SEQUENCE OF MINIATURE BEADS is either on the list of Assigned Technology, or as a minimum, is an "Improvement to the Technology" as described in paragraph 3 of the TECHNOLOGY ASSIGNMENT AGREEMENT. Specifically, the EMBOLIC DEVICE COMPOSED OF A LINEAR SEQUENCE OF MINIATURE BEADS is part of or is an improvement to item no. 12 on the list of Assigned Technology, docket number T3015, ENGINEERED EMBOLI (Micro-fabricated particles, fibers, and devices, for controlled occlusion). In particular, docket number T3015 describes various devices that could be delivered to an embolism through a catheter to occupy the embolism and promote clotting at that location. One embodiment described consists of particles threaded on a wire in a chain or string. In some embodiments, the particles remain on the wire after being deposited in the embolism. In comparison, claim 1 of the above identified patent includes an elongate filament with a linear sequence of miniature beads disposed thereon, that is configured to be delivered through a catheter to a target body location to occupy space at that location. The "particles" were renamed "beads" and the "wire" was renamed a "filament", but claim 1 of the above named patent describes one embodiment of the invention that was known as docket number T3015 at the time the TECHNOLOGY ASSIGNMENT AGREEMENT was entered into. Other aspects described


in the above identified patent were also described in docket number T3015. Thus, each claim of the above identified patent, titled EMBOLIC DEVICE COMPOSED OF A LINEAR SEQUENCE OF MINIATURE BEADS, is either on the list of Assigned Technology, or is an improvement to an item on the list of Assigned Technology. In either case, the TECHNOLOGY ASSIGNMENT AGREEMENT applies to the above named patent.

I even further declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the patent.

Full name of joint inventor: Clark C. Davis
Inventor's signature: *Clark C. Davis* Date: 10-7-03
Address: 4564 Wallace Lane
City/State: Holladay, Utah Zip Code: 84117
Citizenship: U.S.A.

STATE OF Utah)
) ss.
County of Salt Lake)

On this 7th day of October, 2003, before me, a notary public in and for said county, appeared Clark C. Davis, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, and he acknowledged that he signed, sealed and delivered the said instrument as a free and voluntary act for the uses and purposes therein set forth.

(Seal) 

Julie Johnson
Notary Public

My commission expires:
07/02/2005

Full name of Vice President: Todd H. Turnlund

Vice President's signature: *Todd H. Turnlund* Date: 10/7/03


Address: 3008 Wedge Circle

City/State: Park City, Utah Zip Code: 84098

Citizenship: U.S.A.

STATE OF Utah)
) ss.
County of Salt Lake)

On this 7th day of October, 2003, before me, a notary public in and for said county, appeared Todd H. Turnlund, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, and he acknowledged that he signed, sealed and delivered the said instrument as a free and voluntary act for the uses and purposes therein set forth.

(Seal) 

Julie Johnson
Notary Public

My commission expires:
07/02/2005

Title Description	Counsel Jockey #
(System of internal/external tendons deploy and lock size of stent coil)	
22. Ultrasonic Actuation of Therapeutic Tips	T6965
(Vibration driven actuator to produced desired movements for therapeutic actions of a micro-tip (total occlusion, arthrectomy, etc.))	
23. Piezoelectric Micro Element, with electrodes, for Tip Vibration	T6966
(Multimodal tip vibration for lubricity, cutting, ablation, and/or sensing.)	
24. Side Exit Catheter	T3242
(Sidewinder, drug delivery to, or through, vessel wall)	
25. Drug Delivery Needle Injection Apparatus	T6818
(movable micro needles and micro needles with hilts. Hilt-needles can be configured to deploy as radial arrays, linear arrays, or two dimensional arrays which can perform multiple controlled injections.)	
26. Guidewire with distal end support	T7077
(micro-coil support under micromachined tubing to add anti-buckle strength)	

Trademarks

1. "Wireless"	T4805
2. "Go Wireless"	T4808
3. "PVS Wireless"	T4806
4. "Guidewireless"	T4807
5. "Navigator Series"	T6056
6. "Magellan"	
7. "Columbus"	

Assigned Technology

Title/Description	Counsel Docket #
1. Hollow Guide Wire Apparatus For Catheters (NiTi Tube as a Guidewire)	T3087A
2. Catheter Guide Wire Apparatus (NiTi Wire micromachined as Guidewire)	T3087B
3. Hollow Coil Guide Wire Apparatus For Catheters (Interlocking Coils as a Guidewire)	T3087C
4. Flexible Balloon Catheter/Guide Wire Apparatus and Method (Predilatation Balloonwire)	T3360
5. Hybrid Tubular Guide Wire (Stainless steel hypotube proximal segment)	T3823
6. Hybrid Catheter Guide Wire (Solid stainless steel proximal segment)	US 5690120
6a. Hybrid Catheter Guidewire (Additional claims to US 5690120)	T3824CIP1
7. Occlusive Coil Device (Micromachined tapered and helical catheter-pushable coils)	T4111A
8. Occlusive Coil-wire Device (Improvements on standard wire embolic coils - block on competition)	T4111B
9. Micromachined Pushable Stent (Micro machined coil for lumen patency)	T4111C
10. Micromachined Catheter for Guidewire-Free Operation (Standard and flow directed catheters)	T6958
11. Detachable Coil for Aneurysm Therapy (Standard Helical Coil with new mechanical detach system)	T6959
12. Engineered Emboli (Micro-fabricated particles, fibers, and devices, for controlled occlusion)	T3015
13. Location-Specific Flexibility (torsion vs bending) (Catheters or guidewires with variable micromachining to produce anatomy-specific flexion/torsion characteristics)	T4792
14. New Ultrasonically Driven Detachable Coil for Aneurysm Therapy (Micromachined coil, wire, detachment location and vibrational source)	T5733
15. New Micromachined Coil-Stent (Vibration driven detachable micromachined coil- stent)	T5317
16. Drug Delivery Apparatus and Method (Includes vesicles with erodable covers, Coil apparatus embodiment)	T6957
17. Detachable Balloon Expandable Stent with Drug Delivery (Interconnected segments micro tubing with micromachined holes to form mesh)	T6960
18. Radiation Delivery Apparatus and Method (Stent-like coiled tube with micromachined exposure slots and internal radiation source movable along, and within, the tube by internal tendon)	T6961
19. Catheter delivered Micro-implant system (Bio-errodable micro-implants, of variable shapes, materials and drug formulation, for programed drug release)	T6962
20. Catheter Based System for Delivery of Genetically Altered Cells (Multi-cell implantation micro system for myogenesis)	T6963
21. Hollow micromachined tube configured as tendon lockable stent	T6964

TECHNOLOGY ASSIGNMENT AGREEMENT

THIS AGREEMENT is entered into and shall be effective as of the ____ day of June, 1998, by and among PRECISION VASCULAR SYSTEMS, INC., a Utah corporation ("PVS"), and SARCOS, INCORPORATED, a Utah corporation ("Sarcos"). PVS and Sarcos are referred to herein as the "Parties."

RECITALS:

A. Sarcos owns unique and proprietary technology (the "Technology"), which is the subject of various United States Letters Patent and Patent Applications, as well as certain trade secrets which Sarcos anticipates will be the subject of Patent Applications in the near future. The Technology is further described on Exhibit "A" which is incorporated herein by this reference.

B. PVS desires to acquire the Technology so that it may develop and commercially exploit all applications thereof within the Fields of Use, as described on Exhibit B which is incorporated herein by this reference.

C. On March 23, 1997, the Board of Directors of PVS approved the issuance to Sarcos of its authorized but unissued common shares, as then constituted, in consideration for the transfer by Sarcos of technology developed by Sarcos and its affiliates and other assets that were primarily devoted to the design, development, manufacture and sale of catheters.

D. The transfers contemplated by Recital C. were never finalized, but the parties have continued to further the development of the Technology in contemplation of the formal transfer of the Technology in due course, as provided herein.

E. Sarcos is willing to contribute the Technology to the capital of the Company, upon the terms and conditions set forth herein.



EXHIBIT B

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing Recitals and the covenants and agreements set forth herein, together with other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Contribution to Capital.

(a) Sarcos hereby assigns, transfers and sets over to PVS, as a contribution to the capital of PVS, (i) all of its right, title and interest in and to the Technology, and (ii) the 1,000 common shares of PVS issued to Sarcos in February 1996 (prior to the 400 for one forward split). The Parties intend that such contribution shall constitute a transaction governed by the provisions of § 351 of the Internal Revenue Code of 1986, as amended.

(b) Sarcos will execute and deliver to PVS such assignments and other formal documents of transfer concerning the Technology as PVS may request. PVS may file such documents, at its sole cost and expense, with the United States Patent and Trademark Office.

2. Consideration to the Inventors.

As consideration to Sarcos for the contribution of the Technology to, and common shares of, PVS, as contemplated by paragraph 1(a) hereof, PVS shall:

(a) Issue to Sarcos 5,047,200 of PVS' authorized, but previously unissued Series A Preferred Shares, no par value (the "Shares"); and

(b) Pay to Sarcos (i) an amount equal to one percent (1%) of the "net sales proceeds" from the sale of any products that use, incorporate or are based upon the Technology or any portion thereof. "Net sales proceeds" shall be computed as provided in paragraph 4.1 of the Amended and Restated Exclusive License Agreement between the parties hereto dated on the same date as this Agreement, except such payments will terminate on the date that PVS has paid a total of \$1.0 million to Sarcos hereunder, or in the event of a merger, sale of substantially all of its assets, an initial public offering (as defined in paragraph 8(a)(ii)) or a similar transaction by PVS that provides liquidity to the PVS shareholders; and

(c) Repay Sarcos up to \$400,000 in satisfaction of the convertible notes dated February 5 and May 1, 1998; and

(d) Grant to Sarcos an exclusive, irrevocable, worldwide, royalty-free license (the "License") to develop and commercially exploit all applications of the Technology outside of the Fields of Use, and to manufacture, use and sell products outside of the Fields of Use which incorporate the Technology. The License shall include the right to grant sublicenses for permitted applications of the Technology, and shall be in a form similar to the license agreement that is attached as Exhibit B to the Stock Purchase Agreement of this date between PVS and certain Investors; and

(e) Grant to Sarcos, and do herewith so grant, a first priority security interest (the "Security Interest") in and to the Technology in order to secure the performance by PVS of its obligations hereunder. This Agreement shall constitute a security agreement in favor of Sarcos, and PVS shall execute and deliver to Sarcos such UCC-1 Financing Statements and other documents as Sarcos may reasonably request in order to evidence and perfect the Security Interest. PVS specifically agrees that Sarcos may, at its sole cost and expense, file such documents with governmental agencies (including the United States Patent and Trademark Office) in order to perfect the Security Interest.

3. Improvements to the Technology.

(a) The Parties acknowledge that, as the result of the efforts of PVS to commercially exploit the applications of the Technology inside the Fields of Use, and the efforts of Sarcos to commercially exploit other applications of the Technology, each of the Parties may develop patentable or non-patentable improvements to the Technology (collectively "Improvements"). Each Party will promptly advise the other Party of the development of any Improvement which occurs during the term of the License. All references in this paragraph 3 to a Party or the Parties shall include their respective sublicensees, as necessary to carry out the intent of this paragraph.

(b) Any Improvement developed by PVS, whether or not such Improvement infringes any patent included as part of the Technology, or is itself patentable, shall be and shall remain the sole and exclusive property of PVS; provided, however, that Sarcos shall have the exclusive right to utilize such Improvement in connection with applications of the Technology outside of the Fields of Use, and such Improvement shall, for all purposes, be deemed to be covered by and subject to the License.

(c) Any Improvement which is developed by Sarcos within five years of the date hereof which infringes any patent that is included as part of the Technology shall be the sole and exclusive property of PVS, subject to the rights of Sarcos set forth in paragraph 3(b) hereof, and Sarcos shall execute all documents as PVS may reasonably require in order to assign Sarcos' title in and to such Improvement to PVS. Any Improvement developed by Sarcos which does not infringe any Patent that is included as part of the Technology shall be and remain the sole and exclusive property of Sarcos; provided, however, that, within five years of the date hereof, on request, Sarcos shall grant to PVS a license covering such Improvement pursuant to which PVS shall have the exclusive, world wide, royalty-bearing license to utilize such Improvement for applications within the Fields of Use. All licenses contemplated hereby will include the same or similar terms to the license described in paragraph 2(d) hereof.

4. Ancillary Development.

(a) If, prior to the third anniversary of this Agreement, Sarcos develops any invention, device or product, whether or not patentable, which is not an Improvement but which may assist PVS to improve any product under development or marketed by PVS in an application within the Fields of Use (an "Ancillary Field Development"), Sarcos shall, subject to the receipt of an appropriate non-disclosure agreement, disclose such Ancillary Field Development to PVS. PVS shall have a "right of first opportunity" with respect to such Ancillary Field Development, which means Sarcos will notify PVS of its intention to enter into an agreement with respect to the Ancillary Field Development prior to finalizing a transaction with a third party.

2/16/04

(b) If, prior to the third anniversary of this Agreement, PVS develops any invention, device or product, whether or not patentable, which is not an Improvement but which may assist Sarcos to improve any product under development or marketed by Sarcos in applications outside the Fields of Use (an "Ancillary Non-Field Development"), PVS shall, subject to the receipt of an appropriate non-disclosure agreement, disclose the Ancillary Non-Field Development to Sarcos. Sarcos shall have a right of first opportunity with respect to such Ancillary Non-Field Development on the same terms as PVS receives a right of first opportunity pursuant to paragraph 4(a).

5. Governmental Approval of Products Utilizing the Technology. PVS shall not market, sell or distribute any product which utilizes or incorporates the Technology, either within the United States or in any foreign country, until all required registrations, authorizations and approvals necessary for the marketing, sale or distribution of such product from all appropriate governmental agencies have been obtained.

6. Production Liability Indemnification. Sarcos does not make or give, and hereby specifically disclaims, any warranty, express or implied, concerning the Technology or its use in connection with any products or devices, including but not limited to the warranties of merchantability or fitness for a particular purpose. PVS hereby will indemnify and hold Sarcos, its directors, employees and agents, jointly and individually, harmless from and against, and hereby assumes liability for the payment of, any loss, liability or damage and for all costs and expenses (including reasonable costs of investigation and reasonable attorneys, accountants and witness fees) of whatever kind and type that may be imposed upon, suffered or incurred by or asserted against Sarcos, its directors, employees and agents, jointly and individually, as a consequence of or in connection with any liability from or relating to the use of any product or device, which uses or incorporates the Technology, by PVS' customers or by the ultimate end users of such products and devices.

7. Patent Matters.

(a) After the date of this Agreement, PVS shall have the right, at its sole cost and expense, to prosecute and maintain patent protection in the United States, in all foreign jurisdictions for all patents included within the Technology (the "Patents" or "Patent"), and in all additional foreign jurisdictions in which PVS shall determine that protection for the Patents is necessary or appropriate. Additionally, PVS shall have the right to protect the Patents from infringement by others and to defend (at its sole cost and expense) the Patents against allegations by any person, firm or entity that one or more of them infringe the intellectual property rights of other persons, firms or entities.

(b) In addition to the provisions of paragraph 7(a), PVS shall have the duty and obligation, at its sole cost and expense, to bring suit to enjoin any infringement of the Patents by third parties and to vigorously defend the Patents against allegations that any of them infringe the intellectual property rights of third parties, if the failure to so pursue infringers or to defend the Patents could reasonably be expected to result in the termination of the License, or in any material modification or restriction of the rights of Sarcos (or its sublicensees, if any) to utilize the Technology in the manner contemplated by, and upon the terms and conditions of, the License or this Agreement. Within ninety (90) days of the date upon which the Company learns of any alleged infringement of or by any of the Patents, it shall notify Sarcos of the action it proposes to take in regard to such alleged infringement. If PVS fails to provide Sarcos with such notice or if such notice provides that PVS will not take any action in regard to the alleged infringement, Sarcos shall have the right, utilizing counsel of its choice, either to bring suit to enjoin the alleged infringement of the Patent by third parties or to defend each Patent against allegations that it infringes the intellectual property rights of third parties. Sarcos shall have exclusive control over the conduct of any such legal action concerning such infringement (including, without limitation, the settlement of such legal action), and shall be entitled to retain any and all proceeds received as the result of such legal action or its settlement. Sarcos shall be responsible for the first \$100,000 of expenses associated with legal action which it initiates, and thereafter PVS shall indemnify Sarcos, pursuant to paragraph 13(a) hereof, from and against 50%

of any and all additional costs and expenses incurred by Sarcos in defending or prosecuting the alleged infringement.

8. Release or Subordination of the Security Interest.

(a) The Security Interest granted to Sarcos by this Agreement shall terminate upon the first to occur of any of the following events, and upon such expiration Sarcos shall execute and deliver to PVS, all such documents and instruments releasing the Security Interest as PVS shall request:

(i) The closing of a transaction or series of transactions whereby a person, firm or entity that is not an affiliate of PVS (or a designee of an affiliate of PVS) acquires 35% or more of the outstanding equity securities of PVS, or acquires debt or other rights or instruments which are convertible into 35% or more of the total outstanding equity securities of PVS; or

(ii) The closing of the sale by PVS to the public, in a bona fide, underwritten public offering pursuant to a registration statement under the Securities Act of 1933, which results in the receipt by PVS of at least \$20,000,000 in gross proceeds, or

(iii) if Sarcos files a petition for relief under Chapter 7 of the Federal Bankruptcy Code or any person files a similar petition with respect to Sarcos which remains undiscussed for at least sixty days.

(b) If PVS shall, with the approval of its board of directors, grant a license to a subsidiary of PVS or an unaffiliated third party, which license authorizes such subsidiary or third party to exploit the Technology for particular applications within the Fields of Use, then upon the date that either (i) control of such subsidiary is acquired by an unaffiliated third party or (ii) the date upon which the license is granted to an unaffiliated third party, the Security Interest shall be released by Sarcos as it applies to such licensed application of the Technology. Such release shall provide that the license in question may not be revoked, terminated or modified by Sarcos in connection with or as a result of the breach of this Agreement by PVS but shall not affect the payments required by paragraph 2(b) hereof.

(c) If the Board of Directors of PVS should determine that it is appropriate for PVS to obtain a secured loan or other credit facility and if, as a condition to providing such loan or facility, the lender requires a first priority security interest in all of PVS' assets, Sarcos shall, at the written request of PVS, subordinate the Security Interest to the security interest of such lender. The obligation of Sarcos to subordinate the Security Interest pursuant to this paragraph 8(c) shall apply only if the net proceeds of such loan received by PVS, or the total amount of credit available to PVS under such facility, is at least \$2,500,000.

9. Representations and Warranties of the Company. In order to induce Sarcos to enter into this Agreement, PVS represents and warrants to Sarcos that each of the following statements is true, correct and accurate as of the date of this Agreement:

(a) PVS is a corporation duly organized, validly existing and in good standing under the laws of the State of Utah. PVS does not conduct business or own property in, and is not required to qualify as a foreign corporation in, any other state or jurisdiction. PVS has full corporate power and authority to carry on its proposed business and to own and use the properties which it presently owns or intends to own and use in connection with its proposed business.

(b) PVS has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. PVS has taken all corporate action necessary to authorize the execution and delivery of this Agreement and the performance by PVS of its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of PVS and is enforceable (as to PVS) in accordance with its terms and conditions.

(c) Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby (i) will violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which PVS is subject, (ii) will violate any provision of PVS' organizational documents, or (iii) requires any consent or approval of any third person, including without limitation any government or governmental agency.

(d) PVS is not (i) subject to any outstanding injunction, judgment, order, decree, ruling or charge, or (ii) a party to, or threatened to be made a party to, any action, suit, proceeding, hearing or investigation of, in or before any court or quasi-judicial or administrative agency of any federal, state, local or foreign jurisdiction or before any arbitrator.

(e) PVS has no liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement.

10. Representations and Warranties of Sarcos. In order to induce PVS to enter into this Agreement and perform its duties and obligations hereunder, Sarcos represents and warrants to PVS that the following statements are true and correct as of the date of this Agreement:

(a) Sarcos is a corporation duly organized, validly existing and in good standing under the laws of the State of Utah. Sarcos does not conduct business or own property in, and is not required to qualify as a foreign corporation in, any other state or jurisdiction. Sarcos has full corporate power and authority to carry on its proposed business and to own and use the properties which it presently owns or intends to own and use in connection with its proposed business.

(b) Sarcos has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. Sarcos has taken all corporate action necessary to authorize the execution and delivery of this Agreement and the performance by Sarcos of its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of Sarcos and is enforceable (as to Sarcos) in accordance with its terms and conditions.

(c) Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby (i) will violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which Sarcos is subject, (ii) will violate any provision of Sarcos' organizational documents, or (iii) requires any consent or approval of any third person, including without limitation any government or governmental agency.

(d) Sarcos is not (i) subject to any outstanding injunction, judgment, order, decree, ruling or charge, or (ii) a party to, or threatened to be made a party to, any action, suit, proceeding, hearing or investigation of, in or before any court or quasi-judicial or administrative agency of any federal, state, local or foreign jurisdiction or before any arbitrator.

(e) Sarcos has no liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement.

(f) Sarcos (i) understands that the Shares have not been, and will not be, registered under the Securities Act of 1933, or under any state securities laws, and are being offered and sold in reliance upon federal and state exemptions for transactions not involving any public offering, (ii) is acquiring the Shares solely for its own account for investment purposes, and not with a view to the distribution thereof, (iii) is able to bear the economic risk and lack of liquidity inherent in holding the Shares, and (iv) is an "Accredited Investor" as that term is defined in the regulations promulgated under the Securities Act.

(g) Sarcos owns all right, title and interest in and to the Technology, and to the knowledge of the officers of Sarcos, the Patents do not infringe the intellectual property rights of any third party, and they have received no notice of any claim or allegation of such infringement.

11. Survival of Representations and Warranties. The representations and warranties of PVS, as set forth in paragraph 9 hereof, and the representations and warranties of Sarcos, as set forth in paragraph 10 hereof, shall survive the execution of this Agreement and the consummation of the transactions contemplated hereby for five years, or until the occurrence of an event described in paragraphs 8(a)(i) or (ii) of this Assignment, whichever occurs first.

12. Further Assurances. The Parties agree (a) to furnish upon request to each other such further information, (b) to execute and deliver to each other such other documents, and (c) to do such other acts and things, all as the other Parties may reasonably request for the purpose of carrying out the intent of this Agreement and the documents referred to in this Agreement.

13. Indemnification.

(a) PVS will indemnify and hold harmless Sarcos, its directors, employees and agents for, and will pay to each of them the amount of, any loss, liability, claim, damage (including incidental and consequential damages), expense (including costs of investigation and defense and reasonable attorneys' fees), or loss in value, whether or not involving a third party claim (collectively, "Damages"), arising directly or indirectly, from or in connection with any breach of any representation or warranty made by PVS in this Agreement or any breach by PVS of any covenant, obligation or agreement of PVS under this Agreement. The remedies provided for by this paragraph 13(a) will not be exclusive of or limit any other remedies that may be available to Sarcos.

(b) Sarcos will similarly indemnify and hold harmless PVS, its directors and agents, and will pay to each of them the amount of any Damages arising, directly or indirectly, from or in connection with any breach of any representation or warranty made in this Agreement by Sarcos, or in connection with any breach by Sarcos of any covenant, obligation or agreement of Sarcos under this Agreement. The remedies provided for in this paragraph 13(b) will not be exclusive of or limit any other remedies that may be available to PVS.

(c) In the event of the breach of this Agreement by PVS, Sarcos shall be entitled to all remedies available to secured parties under Article 9 of the Utah Uniform Commercial Code, as then in effect, including the right to reclaim the Technology. For purposes of this paragraph 13(c) it shall be a breach of this Agreement by PVS if it shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or the like of all or a substantial part of its property, (ii) be generally unable to pay its debts as such debts become due, (iii) make a general assignment for the benefit of its creditors, (iv) file a petition or otherwise commence a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law relating to the winding up or adjustment of debts or affecting creditor's rights generally, (v) commence a voluntary case under any such law, (vi) fail to controvert in a timely or appropriate

manner, or acquiesce in writing to, any petition or other pleading filed against it in an involuntary case under such bankruptcy or solvency laws, or (vii) take any corporate action for the purpose of effecting any of the foregoing (without the prior written consent of Sarcos, which consent may be withheld, for any reason).

14. Notices. Any notice which is required or permitted to be given to a Party shall be deemed to have been given only if such notice is reduced to writing and delivered personally, or by United States mail with postage prepaid and return receipt requested, or by overnight courier to the appropriate Party as set forth below:

PVS:

Precision Vascular Systems, Inc.
360 Wakara Way
Salt Lake City, UT 84108
Attn: President

SARCOS:

360 Wakara Way,
Salt Lake City, UT 84108
Attn: President
and Stephen C. Jacobsen

Any Party may change its address by giving notice of such change in the manner set forth herein. Any notice given to a Party by mail or by overnight courier shall be deemed delivered two days following the date upon which it is deposited in the United States mail, with postage prepaid and return receipt requested, or delivered to the courier, as the case may be, addressed to the Party in question as set forth herein.

15. Remedies.

(a) The provisions of this paragraph 15 shall be the sole and exclusive remedy for any default under or breach by any party of any term or provision of this Agreement or for its enforcement, and no claim may be brought under or with respect to this Agreement except in accordance with and pursuant to these terms. In the event there is a dispute under this Agreement, the parties shall meet with one another and diligently attempt to resolve their disagreements. If they are unable to do so, then upon request of any party to the dispute, they

will mediate the dispute, utilizing an impartial mediator pursuant to the rules of the American Arbitration Association ("AAA") or any other reputable organization that sponsors mediation upon which the parties shall mutually agree. If, after thirty (30) days, the mediation is not successful, then any party to the dispute may bring arbitration to resolve the dispute but only if it makes a written demand to do so within twenty-four (24) months of the date it has delivered a written claim as to the same matter to the other party pursuant to the terms of this Agreement.

(b) Assuming negotiations and mediation are unsuccessful and a party makes a timely written demand for arbitration, the arbitration shall occur before a single arbitrator in Salt Lake City, Utah in accordance with the commercial arbitration rules of the AAA. To assure predictability, the arbitrator shall be an attorney at law selected by the parties (with the assistance of the AAA if necessary) with experience in intellectual property issues. The arbitrator shall base the decision on applicable principles of law and equity and judicial precedent and, on request of a party, will include in the award findings of fact and conclusions of law upon which the award is based. The arbitrator may grant such legal or equitable relief as he or she deems to be appropriate, including money damages, specific performance and injunctive relief. Questions of whether the dispute is subject to arbitration shall also be decided by the arbitrator.

(c) Within ten (10) days after the appointment of the arbitrator, each party to the dispute shall present to the arbitrator a written statement of the issues in dispute. Within five (5) days thereafter, the arbitrator shall give notice to the parties of a preliminary hearing to discuss the issues, which hearing will occur approximately ten (10) days thereafter. The final arbitration hearing will occur within ninety (90) days after the arbitration is initiated. Prior thereto, there will be limited discovery as approved by the arbitrator at the preliminary hearing, including no more than two depositions per party.

(d) Any party may request and obtain from a court of competent jurisdiction provisional or ancillary remedies for relief such as an injunction or the appointment of a receiver, but the institution of a judicial proceeding will not constitute a waiver of the right of a party to submit a dispute to arbitration. Judgment upon an arbitration award may be entered in

any court having jurisdiction. Subject to the award of the arbitrator, each party shall pay an equal share of the arbitrator's fees, except the arbitrator shall have the power to award all expenses (including attorney's fees and costs) to the prevailing party, as determined by the arbitrator. All matters relative to the arbitration, including the result thereof, shall be maintained as confidential by all parties to this Agreement.

16. Assignment. This Agreement may not be assigned by any Party hereto without the express written consent of the other Party.

17. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto, their respective heirs, beneficiaries, successors and permitted assigns.

18. Entire Agreement. This Agreement supersedes any prior understandings or agreements, whether written or oral, among the Parties in regard to the subject matter hereof, and contains the entire agreement among the Parties in regard to the subject matter hereof. This Agreement may not be changed or modified orally, but only by an agreement, in writing, signed by all of the Parties.

19. Savings Clause. Should any part or provision of this Agreement be rendered or declared invalid by reason of any state or federal law, or by decree of a court of competent jurisdiction, the invalidation of such part or provision of this Agreement shall not invalidate the remaining parts or provisions hereof, and such remaining parts and provisions of this Agreement shall remain in full force and effect.

20. Waiver. Neither the failure nor delay on the part of any Party to exercise any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or privilege preclude any other or further exercise thereof or of any other right or privilege.

21. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah, without giving effect to the choice of law rules thereof, except that matters relating to Patents shall be governed by the laws of the United States.

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22. Counterparts. This Agreement may be executed in counterparts, each of which shall be a binding agreement, but all of which together shall constitute but one document.

IN WITNESS WHEREOF, the Parties have executed this Technology Assignment Agreement as of the date first herein written.


PVS:

PRECISION VASCULAR SYSTEMS, INC.

By: 
John A. Lippert, President

SARCOS:

SARCOS, INCORPORATED

By: 
Stephen C. Jacobsen, President
and Chief Executive Officer