

3/29/04

03-31-2004

Form PTO-1595  
(Rev. 10/02)

REC

OMB No. 0651-0027 (exp. 6/30/2005)

Tab settings



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U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

OFFICE OF PUBLIC RECORDS  
2004 MAR 29 AM 9:59  
FINANCE SECTION

## 1. Name of conveying party(ies):

Parker Medical, Inc.

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

## 3. Nature of conveyance:

- ☐ Assignment ☐ Merger  
☒ Security Agreement ☐ Change of Name  
☐ Other \_\_\_\_\_

Execution Date: 2/11/2004

## 2. Name and address of receiving party(ies)

Name: Inmed Corporation

Internal Address: \_\_\_\_\_

Street Address: 2450 Meadowbrook Parkway

City: Duluth State: GA Zip: 30096

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

## 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) \_\_\_\_\_

B. Patent No.(s) 5,873,362

Additional numbers attached? ☐ Yes ☒ No

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

Name: HOWSON AND HOWSON

Internal Address: \_\_\_\_\_

Street Address: Box 457

City: Spring House State: PA Zip: 19477

## 6. Total number of applications and patents involved: 1

7. Total fee (37 CFR 3.41).....\$ 40.00

- ☒ Enclosed  
☒ Authorized to be charged to deposit account

## 8. Deposit account number:

08-3040

DO NOT USE THIS SPACE

## 9. Signature.

George A. Smith, Jr.

Name of Person Signing

Signature

3/26/04

Date

Total number of pages including cover sheet, attachments, and documents: 10

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Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231PATENT  
REEL: 015139 FRAME: 0686

## SECURITY AGREEMENT

This Security Agreement (the "Agreement"), is effective as of February 11, 2004 ("Effective Date") by and between Parker Medical, Inc., an Ohio corporation with its operational headquarters located at 109 Inverness Drive East, Suite J, Englewood, Colorado 80112 ("Parker") and Inmed Corporation, a Georgia corporation, with its principal place of business located at 2450 Meadowbrook Parkway, Duluth, GA, 30096 (referred to herein as "Teleflex").

### WITNESSETH:

WHEREAS, Parker is a party to a Manufacturing and Distribution License dated as of the date hereof (the "License Agreement") between Teleflex and Parker;

WHEREAS, Parker owns certain Patents and Patent Applications listed on Schedule A hereto;

WHEREAS, it is a condition precedent to the obligation of Teleflex to make a loan to Parker that Parker shall have executed and delivered this Agreement to Teleflex;

NOW, THEREFORE, in consideration of the mutual agreements set forth herein and to induce Teleflex to loan money to Parker under the Note (as defined below), Parker hereby agrees with Teleflex, as follows:

#### 1. Defined Terms.

(a) Unless otherwise defined herein, capitalized terms defined in the License Agreement are used herein as defined therein. The following terms shall have the following meanings:

"Code": the Uniform Commercial Code as from time to time in effect in the State of Ohio.

"Collateral": as defined in Section 2 of this Agreement.

"Event of Default": default in payment of the Note secured by this Agreement.

"Lien": any lien, security interest, pledge, encumbrance or other similar charge, whether voluntary or involuntary and however created.

"Note": the Promissory Note of even date herewith in the principal amount of Two Million Dollars made by Parker.

"Patents": all patents and pending patent applications identified in Schedule A attached hereto and made a part hereof; and all rights related to those patents which are described in the License Agreement. and including (a) all inventions and improvements described and claimed therein, and (b) all reexamination certificates, reissues, divisions, continuations, continuations-in-

part, substitutes, renewals, and extensions thereof.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

2. Grant of Security Interest. As collateral security for the prompt and complete payment and performance when due of the Note, Parker hereby assigns, pledges and grants to Teleflex a security interest in all of the following property now owned or at any time hereafter acquired by Parker or in which Parker now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"):

(i) the Patents; and

(ii) to the extent not otherwise included, all proceeds and products of any and all of the foregoing.

3. Representations and Warranties. Parker represents and warrants as follows:

(a) Title: No Other Liens. Except for the Liens granted to Teleflex and a security interest currently held by Waveland Colorado Ventures, LLC ("Waveland"), 2560 West Main Street, Littleton, Colorado in Parker's U.S. patent (#5,872,362) as collateral for a \$350,000 debt, Parker is the sole, legal and beneficial owner of the entire right, title and interest in and to the patents and patent applications set forth in Schedule A hereto free and clear of any and all liens. No other security agreement, financing statement or other public notice similar in effect with respect to all or any part of the Collateral is on file or of record in any public office (including, without limitation, the United States Patent and Trademark Office). The proceeds from the loan made by Teleflex pursuant to the Note shall be used by Parker to immediately pay off the Waveland debt in its entirety. Waveland has promised to release the security interest in Parker's U.S. patent within twenty-four (24) hours after receipt of Parker's payment of that debt. See Exhibit A, attached hereto. Parker is (or, in the case of after-acquired Collateral, will be) the sole, legal and beneficial owner of the entire right, title and interest in and to the Patents set forth in Schedule A hereto free and clear of any and all liens. No security agreement, financing statement or other public notice similar in effect with respect to all or any part of the Collateral is on file or of record in any public office (including, without limitation, the United States Patent and Trademark Office) except such as may have been filed in favor of Teleflex pursuant to this Agreement.

(b) Perfected First Priority Liens. (i) This Agreement is effective to create, as collateral security for the Note, valid and enforceable Liens on the Collateral in favor of Teleflex.

(ii) Upon release of the security interest held by Waveland, as described in Paragraph 3(a) above and Exhibit A attached hereto, and upon filing of the financing statements delivered to Teleflex (and the recording of this Agreement in the United States Patent and Trademark Office), the Liens created pursuant to this Agreement will constitute valid and perfected Liens on the Collateral in favor of Teleflex, which Liens will be prior to all other Liens on the Collateral, and which Liens are enforceable as such against all creditors of and purchasers (except to the extent that the recording of an assignment or other transfer of title to Teleflex in

the United States Patent and Trademark Office may be necessary for such enforceability) from Parker, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law).

(c) The Patents are Subsisting and Not Adjudged Invalid. As of the date hereof, each Patent and patent application of Parker set forth in Schedule A is subsisting and has not been adjudged invalid, unpatentable or unenforceable, in whole or in part, and, to the best of Parker's knowledge, is valid, patentable and enforceable.

(d) Knowledge of Existing or Threatened Claims. No claim has been made and is continuing or, to the best of Parker's knowledge, threatened that the use by Parker of any item of Collateral is invalid or unenforceable or that the use by Parker of any Collateral does or may violate the rights of any person. To the best of Parker's knowledge, there is currently no infringement or unauthorized use of any item of Collateral contained on Schedule A.

5. Covenants. Parker covenants and agrees with Teleflex that, from and after the date of this Agreement until the payment in full of the Note:

(a) Further Documentation. At any time and from time to time, upon the written request of Teleflex, and at the sole expense of Parker, Parker will promptly and duly execute and deliver such further instruments and documents and take such further action as Teleflex may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the Liens created hereby. Parker also hereby authorizes Teleflex to file any such financing or continuation statement without the signature of Parker to the extent permitted by applicable law. A carbon, photostatic or other reproduction of this Agreement shall be sufficient as a financing statement for filing in any jurisdiction.

(b) Maintenance of the Patent Collateral. Except as otherwise indicated in the License Agreement, Parker agrees to take all necessary steps, including, without limitation, in the United States Patent and Trademark Office or in any court, to (i) maintain each Patent on Schedule A hereto, and (ii) pursue each patent application, now or hereafter identified in Schedule A hereto, including, without limitation, the filing of divisional, continuation, continuation-in-part and substitute applications, the filing of applications for reissue, renewal or extensions, the payment of maintenance fees, and the participation in interference, reexamination, opposition, infringement and misappropriation proceedings. Any expenses incurred in connection with such activities shall be borne by Parker.

(c) Parker Shall Not Abandon any Collateral. Parker shall not abandon any Patent or any pending patent application, without the written consent of Teleflex.

(d) Limitation on Liens on Collateral. Parker will not create, incur or permit to exist, will defend the Collateral against, and will take such other action as is reasonably necessary to remove, any Lien or material adverse claim on or to any of the Collateral, other than the liens created by this Agreement, and will defend the right, title and interest of Teleflex in and to any of the Collateral against the claims and demands of all persons whomsoever

(e) Limitations on Dispositions of Collateral. Without the prior written consent of Teleflex, Parker will not sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, the Collateral, or attempt, offer or contract to do so.

(f) Notices. Parker will advise Teleflex promptly, in reasonable detail, (i) of any Lien (other than Liens created hereby) on, or material adverse claim asserted against the Patents, and (ii) of the occurrence of any other event which would reasonably be expected in the aggregate to have a material adverse effect on the aggregate value of the Collateral or the Liens created hereunder, (iii) of any change in the state of Parker's incorporation, and (iv) any change in its corporate name.

6. Proceeds. It is agreed that if an Event of Default shall occur and be continuing, all proceeds of any Collateral received by Parker consisting of cash, checks and other near-cash items shall be held by Parker in trust for Teleflex, segregated from other funds of Parker, and at the request of Teleflex shall, forthwith upon receipt by Parker, be turned over to Teleflex in the exact form received by Parker (duly indorsed by Parker to Teleflex, if required by Teleflex). Any balance of such proceeds remaining after the payment in full of the Note shall be paid over to Parker or to whomsoever may be lawfully entitled to receive the same.

7. Remedies. If an Event of Default shall occur and be continuing without cure, Teleflex may exercise all rights and remedies of a secured party under the Code, and, to the extent permitted by law, all other rights and remedies granted to it in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Note. Without limiting the generality of the foregoing, Teleflex, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind to or upon Parker or any other person (all and each of which demands, defenses, advertisements and notices are hereby waived) may in such circumstances, to the extent permitted by law, forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing) in one or more parcels at public or private sale or sales or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Teleflex shall have the right, to the extent permitted by law, upon any such sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Parker, which right or equity is hereby waived or released. Parker further agrees, at Teleflex's request, upon the occurrence and during the continuance of an Event of Default to assemble the Collateral and make it available to Parker at places which Parker shall reasonably select, whether at Parker's premises or elsewhere. In the event of any sale, assignment, or other disposition of any of the Collateral, Parker shall supply to Teleflex or its designee Parker's know-how and expertise relating to the Collateral subject to such disposition, and Parker's notebooks, studies, reports, records, documents and things embodying the same or relating to the inventions, processes or ideas covered by the Collateral subject to such disposition. Teleflex shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of Teleflex, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Note then due and owing, and only after such application and after the payment by Teleflex of any other amount required by any provision of law, need Teleflex account for the

surplus, if any, to Parker. To the extent permitted by applicable law, Parker waives all claims, damages and demands it may acquire against Teleflex arising out of the repossession, retention or sale of the Collateral, other than any such claims, damages and demands that may arise from the gross negligence or willful misconduct of Teleflex. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition. Parker shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the then outstanding Note, including the reasonable fees and disbursements of any attorneys employed by Teleflex to collect such deficiency.

8. Powers Coupled with an Interest. All authorizations and agencies herein contained with respect to the Collateral are powers coupled with an interest and are irrevocable until payment in full of the Note.

9. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof; and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10. No Waiver: Cumulative Remedies. No failure to exercise, nor any delay in exercising, on the part of Teleflex, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by Teleflex of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which Parker would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

11. Waivers and Amendments: Successors and Assigns. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by Parker and Teleflex. This Agreement shall be binding upon the successors and assigns of Parker and shall inure to the benefit of Teleflex and its successors and assigns, except that Parker may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of Teleflex.

12. Governing Law. This agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Georgia without regard to the principles of conflict of laws thereof.

13. Release of Collateral and Termination. At such time as the Note is paid in full or forgiven in accordance with the License Agreement, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of Teleflex hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to Parker.

14. Teleflex's Appointment as Attorney-in-Fact. Parker hereby irrevocably

constitutes and appoints Teleflex, and any officer or agent thereof, with full power of substitution as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Parker and in the name of Parker or in its own name, from time to time in Teleflex's discretion, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and to exercise all rights of Parker in the collateral and to make collections and to do all things necessary to preserve and protect Teleflex's security interest in the Collateral.

IN WITNESS WHEREOF, The undersigned parties have caused this Agreement to be duly executed and delivered as of the date first above written.

**INMED CORPORATION**

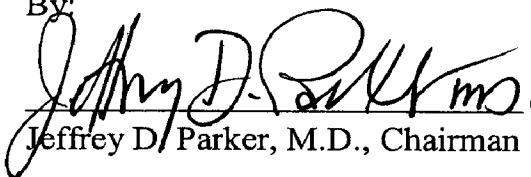
By:



Arthur G. Fragakis, Controller/Assistant  
Secretary

**PARKER MEDICAL, INC.**

By:



Jeffrey D. Parker, M.D., Chairman

# SCHEDULE A

## Patent Applications and Patents

U.S Pat. No. 5,873,362

Issue date: 2/23/99

Canada Serial No. 2281097

File date: 3/17/98

Brazil Serial No. PI 9808357-0

File date: 3/17/98

Mexico Serial No. 998567

File date: 3/17/98