

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
Medwrap Corp.	09/12/2005

RECEIVING PARTY DATA

Name:	John A. Dobos
Street Address:	2835 Elmwood Avenue
City:	Kenmore
State/Country:	NEW YORK
Postal Code:	14217

Name:	David T. Grana
Street Address:	300 Corporate Parkway
Internal Address:	Suite 116 North
City:	Amherst
State/Country:	NEW YORK
Postal Code:	14226

Name:	Ronald D. Mabry
Street Address:	28 Wasson Street
Internal Address:	P.O. Box 128
City:	Buffalo
State/Country:	NEW YORK
Postal Code:	14240

Name:	David L. Roach Esq.
Street Address:	2645 Sheridan Drive
City:	Tonawanda
State/Country:	NEW YORK
Postal Code:	14150

PATENT

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Name:	John N. Blair Esq.
Street Address:	2645 Sheridan Drive
City:	Tonawanda
State/Country:	NEW YORK
Postal Code:	14150

PROPERTY NUMBERS Total: 2

Property Type	Number
Patent Number:	6512158
Patent Number:	6168800

CORRESPONDENCE DATA

Fax Number: (716)834-9197
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 716-834-9181
 Email: masmeader@blair-roach.com
 Correspondent Name: Michael A. Smeader, Esq.
 Address Line 1: 2645 Sheridan Drive
 Address Line 4: Tonawanda, NEW YORK 14150

ATTORNEY DOCKET NUMBER:	11728
NAME OF SUBMITTER:	/Michael A. Smeader/

Total Attachments: 10
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PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT (this "Agreement") is made this 12th day of September, 2005, between Medwrap Corp., a New York corporation having an office at 300 Corporate Parkway, Suite 116 North, Amherst, New York 14226 ("Company") and John A. Dobos, David T. Grana, Ronald D. Mabry, David L. Roach and John N. Blair (collectively the "Secured Parties").

Recitals:

The Secured Parties have provided and may provide loans and advances to the Company and its affiliates; and

WHEREAS, the Company has executed and delivered to Secured Parties its (i) Line Notes dated the date of this Agreement ("Line Notes"); and (ii) unconditional guarantees of the payment and discharge of all loans/advances made and which may be made by Secured Parties to H&ASC Dressing, LLC and Island Dressings, LLC dated the date of this Agreement ("Guarantees").

NOW, THEREFORE, for Ten Dollars (\$10.00) in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company hereby agrees with Secured Parties as follows:

1. To secure the prompt payment and performance of the Line Notes and the Guarantees and any and all modifications, extensions, replacements and/or refinancings of the Line Notes and the Guarantees (collectively the "Obligations"), the Company hereby grants, assigns and pledges to Secured Parties, a continuing security interest in and lien upon all of the

following property of the Company, whether now existing or hereafter created or acquired (the "Patent Collateral"):

(a) The entire right, title and interest of the Company in and to the patent applications and patents listed in Exhibit A attached hereto (as the same may be amended from time to time), and all re-issues, divisions, continuations, renewals, extensions and continuations-in-part thereof, including, without limitation, the right to sue for past, present and future infringements and rights corresponding thereto throughout the world (all of the foregoing being herein collectively referred to as the "Patents"); and

(b) All proceeds of the foregoing (such as, by way of example, license royalties and proceeds of infringement suits).

2. The Company covenants with and warrants to Secured Parties that:

(a) The Patents are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;

(b) The Company is now and shall continue to be the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, free and clear of any liens, encumbrances or claims;

(c) The Company has the unqualified right to enter into this Agreement and perform its terms and, to the extent it deems reasonably necessary, has entered and will enter into written agreements with each of its present and future employees, agents and consultants which will enable it to comply with the covenants herein contained; and

(d) The Company has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Patents and has made, and will continue to make, all appropriate filings with the United States Patent and Trademark Office to maintain the Patents in existence, including, without limitation, filing all necessary documents with the United States Patent and Trademark Office for each Patent to maintain it without loss of protection therefor.

3. Until all of the Obligations have been satisfied in full, the Company shall not enter into any license agreement relating to any of the Patents with any Person except non-exclusive licenses to customers of the Company in the regular and ordinary course of the Company's business as presently conducted and for reasonable and customary compensation, and shall not become a party to any agreement with any Person that is inconsistent with the Company's obligations under this Agreement.

4. If, before the Obligations shall have been satisfied in full, the Company shall obtain rights to any new patentable inventions, or become entitled to the benefit of any patent application or patent for any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or any improvement on any Patent, the provisions of paragraph 2 shall automatically apply thereto and the Company shall give to Secured Parties prompt notice thereof in writing.

5. The Company irrevocably authorizes and empowers any agent of the Secured Parties to modify this Agreement by amending Exhibit A to include any future patents and patent applications within the definition of Patents under paragraph 2 or paragraph 5 hereof.

6. Upon and at any time after the occurrence of an event of default under the Obligations, Secured Parties shall have, in addition to all other rights and remedies given it by this Agreement, all rights and remedies under applicable law and all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, Secured Parties may immediately, without demand of performance and without other notice (except as described in the next sentence, if required by applicable law) or demand whatsoever to the Company, each of which the Company hereby expressly waives, and without advertisement (except as otherwise provided by applicable law), collect directly any payments due the Company in respect of the Patent Collateral, or sell at public or private sale or otherwise realize upon the whole or from time to time any of the Patent Collateral, or any interest which the Company may have therein. The Company hereby agrees that seven (7) days notice to the Company of any public or private sale or other disposition of any of the Patent Collateral shall be reasonable notice; provided, however, that no notice shall be required hereunder if not otherwise required by applicable law. At any such sale or disposition, Secured Parties may, to the extent permitted by applicable law, purchase the whole or any part of the Patent Collateral sold, free from any right of redemption on the part of the Company, which right the Company hereby waives and releases. After deducting from the proceeds of such sale or other disposition of the Patent Collateral all costs and expenses incurred by Secured Parties in enforcing its rights hereunder (including, without limitation, all attorneys' fees), Secured Parties shall apply the remainder of such proceeds to the payment of the Obligations, in such order or manner as they elect. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to the Company.

7. The Company hereby makes, constitutes and appoints Secured Parties, and any agent of Secured Parties as Secured Parties may select, as the Company's true and lawful

attorney-in-fact, with full power to do any or all of the following if an Event of Default shall occur and be continuing: to endorse the Company's name on all applications, documents, papers and instruments necessary for Secured Parties to continue the maintenance of or to use the Patents, or to grant or issue any exclusive or nonexclusive license under the Patents to any other Person, or to assign, pledge, convey or otherwise transfer title in or dispose of any Patent Collateral to any other Person. The Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable until all of the Guarantees shall have been satisfied in full.

8. Any and all fees, costs and expenses, of whatever kind or nature, (including, without limitation, reasonable attorneys' fees and legal expenses) incurred by Secured Parties in connection with the preparation of this Agreement and any other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including, without limitation, all taxes in connection therewith) with the United States Patent and Trademark Office or in other public offices, the payment or discharge of any taxes, counsel fees, maintenance fees or Liens, or otherwise, in protecting, maintaining and preserving any Patent Collateral or in defending or prosecuting any actions or proceedings arising out of or related to any Patent Collateral, shall be borne and paid by the Company (it being the intent of the Company and Secured Parties that the Company shall be responsible for the payment of all sums, fees, costs and expenses, including, without limitation, all maintenance fees payable with respect to the Patents) or, if paid by Secured Parties in its sole discretion, shall be reimbursed by the Company to Secured Parties **on demand** by Secured Parties and until so paid shall be added to the principal amount of the Obligations and shall bear interest at ten percent (10%) per annum.

9. Notwithstanding anything to the contrary, Secured Parties shall have the right, but shall in no way be obligated, to bring suit in their own names to enforce the Patents and any license hereunder, or to defend any suit or counterclaim in their own names to protect any Patents or license hereunder, in either of which events the Company shall at the request of Secured Parties do any and all lawful acts (including bringing suit) and execute any and all proper documents required by Secured Parties in aid of such enforcement or defense and the Company shall promptly, upon demand, reimburse and indemnify Secured Parties for all costs and expenses incurred by Secured Parties in the exercise of its rights under this paragraph 10.

10. If the Company fails to comply with any of its obligations hereunder, then to the extent permitted by applicable law, Secured Parties may do so in the Company's name or in the name of the Secured Parties, in their sole discretion, but at the Company's expense, and the Company agrees to reimburse Secured Parties in full for all expenses, including, without limitation, reasonable attorneys' fees, incurred by Secured Parties in prosecuting, defending or maintaining the Patents or their interest therein pursuant to this Agreement.

11. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable, in whole or in part, in any jurisdiction, the same shall be deemed severed herefrom and shall not in any manner affect such clause or provisions in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

12. This Agreement, together with the Obligations, constitutes and expresses the entire understanding of the parties hereto with respect to the subject matter hereof, and supercedes all prior agreements and understandings, inducements or conditions, whether express

or implied, oral or written. This Agreement is subject to modification only by writing signed by the parties except as provided in paragraph 6 hereof.

14. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of Secured Parties and upon the successors and permitted assigns of the Company. The Company shall not assign its rights or delegate its rights or assign its duties hereunder without the prior written consent of Secured Parties.

15. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

IN WITNESS WHEREOF the execution hereof under seal as of the day and year first above written.

MEDWRAP, CORP.

("Company")

By:

Name:

Its: President

Accepted:

John A. Dobos

David T. Grana

Ronald D. Mabry

David L. Roach

John N. Blair

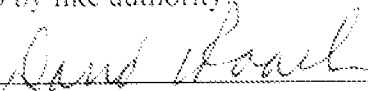
EXHIBIT A

Patents

<u>Patent</u>	<u>Registration No.</u>	<u>Registration Date</u>
Medical Protective Wrap	6,512,158	1/28/2003
Antimicrobial Multi-Layer Island Dressing	6,168,800	1/2/2001

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the 12th day of September, 2005 before me personally came John A. Dobos, to me known, who being by me duly sworn, did depose and say that he resides in Amherst, New York; that he is the President of Medwrap Corp., the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the board of directors of said corporation, and that he signed his name thereto by like authority.

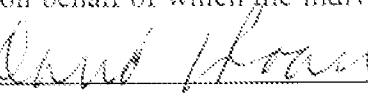


Notary Public

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

DAVID L. ROACH
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Jan. 23, 2007

On the 12th day of September, 2005 before me, the undersigned, a Notary Public in and for said state, personally appeared John A. Dobos, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

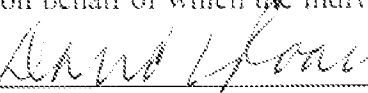


Notary Public

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

DAVID L. ROACH
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Jan. 23, 2007

On the 12th day of September, 2005 before me, the undersigned, a Notary Public in and for said state, personally appeared David T. Grana, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

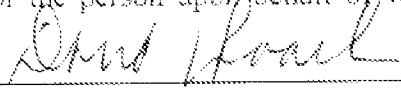


Notary Public

DAVID L. ROACH
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Jan. 23, 2007

STATE OF NEW YORK)
) ss.:
COUNTY OF ERIE)

On the 12th day of September, 2005 before me, the undersigned, a Notary Public in and for said state, personally appeared Ronald D. Mabry, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

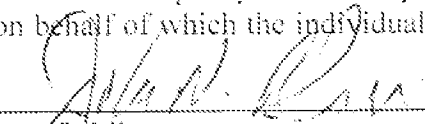


Notary Public

DAVID L. ROACH
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Jan. 23, 2007

STATE OF NEW YORK)
) ss.:
COUNTY OF ERIE)

On the 12th day of September, 2005 before me, the undersigned, a Notary Public in and for said state, personally appeared David L. Roach, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

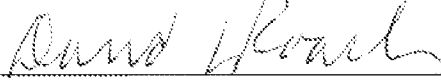


Notary Public

JOHN N. BLAIR
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Sept. 30, 2006

STATE OF NEW YORK)
) ss.:
COUNTY OF ERIE)

On the 12th day of September, 2005 before me, the undersigned, a Notary Public in and for said state, personally appeared John N. Blair, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

DAVID L. ROACH
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Jan. 23, 2007