

PATENT ASSIGNMENT

Electronic Version v1.1

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SUBMISSION TYPE:	NEW ASSIGNMENT										
NATURE OF CONVEYANCE:	SECURITY AGREEMENT										
EFFECTIVE DATE:	06/06/2006										
CONVEYING PARTY DATA											
<table><tr><th>Name</th><th>Execution Date</th></tr><tr><td>Sphera Corporation</td><td>06/06/2006</td></tr><tr><td>Sphera Technologies Ltd.</td><td>06/06/2006</td></tr></table>		Name	Execution Date	Sphera Corporation	06/06/2006	Sphera Technologies Ltd.	06/06/2006				
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RECEIVING PARTY DATA											
<table><tr><td>Name:</td><td>Vision Capital III, LP</td></tr><tr><td>Street Address:</td><td>P.O. Box 76 Wests Centre Street</td></tr><tr><td>City:</td><td>Helier, Jersey, Channel Islands</td></tr><tr><td>State/Country:</td><td>UNITED KINGDOM</td></tr><tr><td>Postal Code:</td><td>JE4 8PQ</td></tr></table>		Name:	Vision Capital III, LP	Street Address:	P.O. Box 76 Wests Centre Street	City:	Helier, Jersey, Channel Islands	State/Country:	UNITED KINGDOM	Postal Code:	JE4 8PQ
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Name:	TLCOM ID, LP
Street Address:	Carrington House, 126-130 Regent Street
City:	London
State/Country:	UNITED KINGDOM
Postal Code:	W1B 5SE

Name:	Roy Saar
Street Address:	11A Hachelet Street
City:	Hod Hasharon
State/Country:	ISRAEL

Name:	BA Capital Partners, LP
Street Address:	231 South LaSalle Street, Suite 1252
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60697

Name:	Jerusalem Venture Partners III, LP
Street Address:	770 Broadway, 2nd Floor
City:	New York
State/Country:	NEW YORK
Postal Code:	10003

Name:	Jerusalem Venture Partners Entrepreneur Fund III, LP
Street Address:	770 Broadway, 2nd Floor
City:	New York
State/Country:	NEW YORK
Postal Code:	10003

Name:	Jerusalem Venture Partners III (Israel), LP
Street Address:	770 Broadway, 2nd Floor
City:	New York
State/Country:	NEW YORK
Postal Code:	10003

Name:	JVP III Annex Fund, LP
Street Address:	770 Broadway, 2nd Floor
City:	New York
State/Country:	NEW YORK
Postal Code:	10003

PROPERTY NUMBERS Total: 5

Property Type	Number
Application Number:	10487481
Application Number:	10784570
Application Number:	11042478
Application Number:	11115095
Application Number:	10888036

CORRESPONDENCE DATA

Fax Number: (617)338-2880
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 617-338-2953
Email: bkowalczyk@sandw.com
Correspondent Name: Docketing Assistant
Address Line 1: Sullivan & Worcester LLP
Address Line 2: One Post Office Square
Address Line 4: Boston, MASSACHUSETTS 02109

ATTORNEY DOCKET NUMBER: 95744.0005

NAME OF SUBMITTER: Diana M. Steel

Total Attachments: 30

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SPHERA CORPORATION

SECURITY AGREEMENT

This Security Agreement (the "Agreement") is made as of the 6th day of June, 2006 by and among Sphera Corporation, a Delaware company (the "Debtor"), Sphera Technologies Ltd., an Israeli company and wholly owned subsidiary of the Debtor ("Subsidiary," and together with Debtor, the "Securing Parties"), certain secured parties, as listed in Exhibit I attached hereto (each, a "Secured Party" and collectively the "Secured Parties"), and Vision Capital III LP (as a Secured Party and a Filing Agent, as such term is defined below). For purpose of this Security Agreement the Secured Parties shall act by the written consent of Majority Secured Parties (as defined below), or be represented by an agent appointed by such Majority Secured Parties, and such act shall bind all Secured Parties, except with respect to filing purposes (only), for which the Secured Parties have nominated the Filing Agent to act on their behalf, as described in Section 5 below.

RECITALS

The Securing Parties and the Secured Parties are parties to a Loan and Convertible Promissory Notes Purchase Agreement of even date with this Agreement (the "Purchase Agreement") pursuant to which the Secured Parties shall purchase the Notes (as defined in the Purchase Agreement) from the Debtor. The parties intend that the Debtor's obligations to repay the Notes and any other Obligation be secured by all of the assets of the Securing Parties.

AGREEMENT

In consideration of the purchase of the Notes by the Secured Parties and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Securing Parties hereby agree with the Secured Parties and the Filing Agent as follows:

1. Grant of Security Interest.

(a) To secure the Debtor's full and timely performance of the Obligations, the Securing Parties hereby grant to the Secured Parties a continuing Lien on and security interest (the "Security Interest") in, all of the Securing Parties' right, title and interest in and to all of their personal property and assets (both tangible and intangible), including, without limitation, the following, whether now owned or hereafter acquired and wherever located: (a) all Receivables; (b) all Equipment; (c) all Fixtures; (d) all General Intangibles; (e) all Inventory; (f) all Investment Property; (g) all Deposit Accounts; (h) all Cash; (i) all other Goods of the Securing Parties; (j) all Intellectual Property; and (k) all Proceeds of each of the foregoing and all accessions to, and replacements for, each of the foregoing (collectively, the "Collateral").

(b) The following terms shall have the following meanings for purposes of this Agreement:

Security Agreement (EC_\$2M).DOC

"Account" means any "Account," as such term is defined in the UCC now owned or hereafter acquired by the Securing Parties or in which the Securing Parties now hold or hereafter acquire any interest and, in any event, shall include, without limitation, all accounts receivable, book debts, rights to payment and other forms of obligations (other than forms of obligations evidenced by Chattel Paper, Documents or Instruments) now owned or hereafter received or acquired by or belonging or owing to the Securing Parties whether or not arising out of goods or software sold or services rendered by the Securing Parties or from any other transaction, whether or not the same involves the sale of goods or services by the Securing Parties and all of the Securing Parties' rights in, to and under all purchase orders or receipts now owned or hereafter acquired by it for goods or services, and all of the Securing Parties' rights to any goods represented by any of the foregoing, and all monies due or to become due to the Securing Parties under all purchase orders and contracts for the sale of goods or the performance of services or both by the Securing Parties or in connection with any other transaction (whether or not yet earned by performance on the part of the Securing Parties), now in existence or hereafter occurring, including, without limitation, the right to receive the proceeds of said purchase orders and contracts, and all collateral security and guarantees of any kind given by any Person with respect to any of the foregoing.

"Cash" means all cash, money, currency, and liquid funds, wherever held, in which the Securing Parties now or hereafter acquire any right, title, or interest.

"Chattel Paper" means any "Chattel paper," as such term is defined in the UCC, now owned or hereafter acquired by the Securing Parties or in which the Securing Parties now hold or hereafter acquire any interest.

"Commercial Tort Claim" shall have the meaning given to that term in Section 2(e) of this Agreement.

"Current Charge" shall mean a fixed charge placed in favor of Bank Leumi Le-Israel Ltd. (the **"Bank"**) on a deposit account number 060100/20 by the Bank, in an amount of NIS 320,000, for the secure of an unlimited amount.

"Deposit Accounts" means any "Deposit accounts," as such term is defined in the UCC, and includes any checking account, savings account, or certificate of deposit, now owned or hereafter acquired by the Securing Parties or in which the Securing Parties now hold or hereafter acquire any interest.

"Documents" means any "Documents," as such term is defined in the UCC, now owned or hereafter acquired by the Securing Parties or in which the Securing Parties now hold or hereafter acquire any interest.

"Electronic Chattel Paper" means any "Electronic chattel paper," as such term is defined in the UCC, now owned or hereafter acquired by the Securing Parties or in which the Securing Parties now hold or hereafter acquire any interest.

"Equipment" means any "Equipment," as such term is defined in the UCC, now owned or hereafter acquired by the Securing Parties or in which the Securing Parties now hold or hereafter acquire any interest and any and all additions, upgrades, substitutions and replacements of any of the foregoing, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto, now owned or hereafter acquired by the Securing Parties or in which the Securing Parties now hold or hereafter acquire interest.

"Fixtures" means any "Fixtures," as such term is defined in the UCC, together with all right, title and interest of the Securing Parties in and to all extensions, improvements, betterments, accessions, renewals, substitutes, and replacements of, and all additions and appurtenances to any of the foregoing property, and all conversions of the security constituted thereby, immediately upon any acquisition or release thereof or any such conversion, as the case may be, now owned or hereafter acquired by the Securing Parties or in which the Securing Parties now hold or hereafter acquire any interest.

"General Intangible" means any "General intangible," as such term is defined in the UCC, now owned or hereafter acquired by the Securing Parties or in which the Securing Parties now hold or hereafter acquire any interest and, in any event, shall include, without limitation, all right, title and interest that the Securing Parties may now or hereafter have in or under any contracts, rights to payment, payment intangibles, confidential information, interests in partnerships, limited liability companies, corporations, joint ventures and other business associations, permits, goodwill, claims in or under insurance policies, including unearned premiums and premium adjustments, uncertificated securities, deposit, checking and other bank accounts, but shall not include any Intellectual Property (including the right to receive all proceeds and damages therefrom), rights to receive tax refunds and other payments and rights of indemnification.

"Goods" means any "Goods," as such term is defined in the UCC, now owned or hereafter acquired by the Securing Parties or in which the Securing Parties now hold or hereafter acquire any interest.

"Instruments" means any "Instrument," as such term is defined in the UCC, now owned or hereafter acquired by the Securing Parties or in which the Securing Parties now hold or hereafter acquire any interest.

"Intellectual Property" means, collectively, all rights, priorities and privileges of the Securing Parties relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, inventions, patents, patent licenses, trademarks, trademark licenses and trade secrets (including customer lists), domain names, Web sites and know-how, including, but not limited to, the patents, trademarks and copyrights set forth on Schedule 1(b).

"Inventory" means any "Inventory," as such term is defined in the UCC, now owned or hereafter acquired by the Securing Parties or in which the Securing Parties now hold or hereafter acquire any interest, and, in any event, shall include, without limitation, all inventory, goods and other personal property that are held by or on behalf of the Securing Parties for sale or

lease or are furnished or are to be furnished under a contract of service or that constitute raw materials, work in process or materials used or consumed or to be used or consumed in the Securing Parties' business, or the processing, packaging, promotion, delivery or shipping of the same, and all finished goods, whether or not the same is in transit or in the constructive, actual or exclusive possession of the Securing Parties or is held by others for the Securing Parties' account, including, without limitation, all goods covered by purchase orders and contracts with suppliers and all goods billed and held by suppliers and all such property that may be in the possession or custody of any carriers, forwarding agents, truckers, warehousemen, vendors, selling agents or other Persons.

"Investment Property" means any "Investment property," as such term is defined in the UCC, and includes certificated securities, uncertificated securities, money market funds and U.S. Treasury bills or notes, now owned or hereafter acquired by the Securing Parties or in which the Securing Parties now hold or hereafter acquire any interest.

"Letter of Credit Right" means any "Letter of credit right," as such term is defined in the UCC, now owned or hereafter acquired by the Securing Parties or in which the Securing Parties now hold or hereafter acquire any interest, including any right to payment or performance under any letter of credit.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment for security, security interest, encumbrance, levy, lien or charge of any kind, whether voluntarily incurred or arising by operation of law or otherwise, against any property, any conditional sale or other title retention agreement, any lease in the nature of a security interest, and the filing of any financing statement (other than a precautionary financing statement with respect to a lease that is not in the nature of a security interest) under the UCC or comparable law of any jurisdiction.

"Obligations" shall mean and include all loans, advances, debts, liabilities and obligations, howsoever arising, owed by the Securing Parties to the Secured Parties of every kind and description (whether or not for the payment of money), direct or indirect, absolute or contingent, due or to become due, now existing or hereafter owed by the Securing Parties to the Secured Parties, in connection with the Purchase Agreement and the Notes, including without limitation all interest, fees, charges, expenses, attorneys' fees and accountants' fees chargeable to the Securing Parties or payable by the Securing Parties thereunder.

"Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, public benefit corporation, other entity or government (whether federal, state, county, city, municipal, local, foreign, or otherwise, including any instrumentality, division, agency, body or department thereof).

"Proceeds" means "Proceeds," as such term is defined in the UCC and, in any event, shall include, without limitation, (a) any and all Accounts, Chattel Paper, Instruments, cash or other forms of money or currency or other proceeds payable to the Securing Parties from time to time in respect of the Collateral, (b) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Securing Parties from time to time with respect to any of the

Collateral, (c) any and all payments (in any form whatsoever) made or due and payable to the Securing Parties from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any Person acting under color of governmental authority), (d) the proceeds, damages, or recovery based on any claim of the Securing Parties against third parties (i) for past, present or future infringement of any copyright, patent or patent license or (ii) for past, present or future infringement or dilution of any trademark or trademark license or for injury to the goodwill associated with any trademark, trademark registration or trademark licensed under any trademark license and (e) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Receivables" means all of the Securing Parties' Accounts, Instruments, Documents, Chattel Paper, Supporting Obligations, and letters of credit and Letter of Credit Rights.

"Supporting Obligation" means any "Supporting obligation," as such term is defined in the UCC, now owned or hereafter acquired by the Securing Parties or in which the Securing Parties now hold or hereafter acquire any interest.

"UCC" means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of Delaware; provided, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, the Secured Parties' Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of Delaware, the term "UCC" shall mean the Uniform Commercial Code as enacted and in effect, from time to time, in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

Unless otherwise defined herein, all capitalized terms used herein and defined in the Purchase Agreement shall have the respective meaning given to those terms in the Purchase Agreement, and terms that are defined in the UCC and used herein shall have the meanings given to them in the UCC.

2. **Representations and Warranties.** The Securing Parties hereby represent and warrant to the Secured Parties that:

(a) **Ownership of Collateral.** Subject to the Current Charge, the Securing Parties are the legal and beneficial owner of the Collateral (or, in the case of after-acquired Collateral, at the time the Securing Parties acquire rights in the Collateral, will be the legal and beneficial owners thereof). Except for the Security Interest granted to the Secured Parties pursuant to this Agreement, to the Current Charge and to the approval of the Office of the Chief Scientist of the State of Israel (as provided for in subsection 2(e)(ii) of the Purchase Agreement), the Securing Parties have rights in or the power to transfer the Collateral free and clear of any adverse Lien, security interest or encumbrance. No financing statements covering any Collateral

or any proceeds thereof are on file in any public office (other than filings listing the Secured Parties as the Secured Parties).

(b) **Valid Security Interest.** Except with respect to the Current Charge, the Security Interest granted pursuant to this Agreement will constitute a valid and continuing perfected security interest in favor of the Secured Parties in the Collateral for which perfection is governed by the UCC or filing with the United States Copyright Office or United States Patent and Trademark Office. Except with respect to the Current Charge, such Security Interest will be prior to all other Liens on the Collateral.

(c) **Organization and Good Standing.** The Debtor and Subsidiary each have been duly incorporated, and are validly existing and in good standing, each under the laws of its jurisdiction.

(d) **Location, State of Organization and Name of the Securing Parties.** The Debtor's state of organization is the State of Delaware and the Debtor's exact legal name as it appears in the official filings in the State of Delaware is as set forth in the first paragraph of this Agreement. The Debtor has only one jurisdiction of organization. Subsidiary's country of organization is Israel and its exact legal name as it appears in the official filings in Israel is as set forth in the first paragraph of this Agreement. Subsidiary has only one jurisdiction of organization.

(e) **Commercial Tort Claim.** The Securing Parties have not filed, and do not presently intend to file, a claim, suit or action or command any formal proceeding against another party seeking redress or damages of any kind of an actual or alleged commercial tort (a "**Commercial Tort Claim**").

(f) **Location of Equipment and Inventory.** Substantially all Equipment and Inventory are (i) located at the locations indicated on **Schedule 2(f)** (ii) in transit to such locations; or (iii) in transit to a third party purchaser which will become obligated on a Receivable to the Securing Parties upon receipt. Except for Equipment and Inventory referred to in clauses (ii) and (iii) of the preceding sentence, the Securing Parties have exclusive possession and control of the Inventory and Equipment.

(g) **Delivery of Items.** **Schedule 2(g)** lists substantially all Instruments (other than checks received in the ordinary course of business), letter-of-credit rights, Electronic Chattel Paper and Chattel Paper of the Securing Parties as of the date hereof.

(h) **Receivables.** Each Receivable is genuine and enforceable against the parties obligated to pay the same (an "**Account Securing Parties**") free from any right of rescission, defense, setoff or discount.

(i) **Insurance.** Each insurance policy maintained by the Securing Parties validly exists and is in full force and effect. The Securing Parties are not in default under the provisions of any insurance policy, and there are no facts which, with the giving of notice or passage of time (or both), would result in such a default under any provision of any such

insurance policy. Set forth in **Schedule 2(i)** is a complete and accurate list of the insurance of the Securing Parties in effect on the date of this Agreement covering fire, public liability, property damage and worker's compensation, showing as of such date, (i) the type of insurance carried, (ii) the name of the insurance carrier, and (iii) the amount of each type of insurance carried.

(j) This Agreement is effective to create a valid and continuing Lien upon the Collateral. All action by the Securing Parties necessary or desirable to protect and perfect such Lien on each item of the Collateral has been duly taken.

3. **Covenants.** The Securing Parties represent, warrant, covenant and agree that, from and after the date of this Agreement until the Obligations are paid in full:

(a) **Other Liens.** Except for the Security Interest and the Current Charge, the Securing Parties have rights in or the power to transfer the Collateral and its title and will be able to do so hereafter free from any adverse Lien, security interest or encumbrance, and the Securing Parties will defend the Collateral against the claims and demands of all persons at any time claiming the same or any interest therein.

(b) **Further Documentation.** At any time and from time to time, upon the written request of the Secured Parties, and at the sole expense of the Securing Parties, the Securing Parties will promptly and duly authenticate and deliver such further instruments and documents and take such further action as the Secured Parties reasonably determine necessary or desirable for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted including, without limitation, filing any financing or continuation statements under the UCC in effect with respect to the Liens created hereby. The Securing Parties also hereby authorize the Secured Parties to file any such financing, amendment or continuation statement without the authentication of the Securing Parties to the extent permitted by applicable law. A reproduction of this Agreement shall be sufficient as a financing statement (or as an exhibit to a financing statement on form UCC-1) and for filing in any jurisdiction.

(c) **Indemnification.** The Securing Parties agree to defend, indemnify and hold harmless the Secured Parties against any and all liabilities, costs and expenses (including, without limitation, legal fees and expenses) ("**Liabilities**"): (i) with respect to, or resulting from, any delay in paying, any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral, (ii) with respect to, or resulting from, any delay in complying with any law, rule, regulation or order of any governmental authority applicable to any of the Collateral, or (iii) in connection with any of the transactions contemplated by this Agreement.

(d) **Maintenance of Records.** The Securing Parties will keep and maintain at their own expense complete and satisfactory records of the Collateral.

(e) **Inspection Rights.** The Secured Parties shall have full access during normal business hours, and upon prior notice, to all the books, correspondence and other records of the Securing Parties relating to the Collateral. The Secured Parties or its representative may

examine such records and make photocopies or otherwise take extracts from such records. The Securing Parties agree to render to the Secured Parties, at the Securing Parties' expense, such clerical and other assistance as the Secured Parties may request with regard to the exercise of its rights pursuant to this paragraph.

(f) **Compliance with Laws, etc.** The Securing Parties (i) will comply with all laws, rules, regulations and orders of any governmental authority applicable to any part of the Collateral or to the operation of the Securing Parties' business and (ii) shall not use or permit any Collateral to be used in violation of any provision of the Purchase Agreement and the Notes, any law, rule or obligation or order of any governmental authority, or any policy of insurance covering the Collateral.

(g) **Payment of Obligations.** The Securing Parties will pay promptly when due all taxes, assessments and governmental charges or levies imposed upon the Collateral or with respect to any of its income or profits derived from the Collateral, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to the Collateral.

(h) **Compliance with Purchase Agreement.** The Securing Parties will strictly comply with the terms and conditions of the Purchase Agreement.

(i) **Limitation on Liens on Collateral.** The Securing Parties will not create, incur or permit to exist, will defend the Collateral against, and will take such other action as is necessary to remove, any Lien or claim on or to the Collateral, other than the Security Interest and the Current Charge, and will defend the right, title and interest of the Secured Parties in and to any of the Collateral against the claims and demands of all other persons.

(j) **Limitations on Dispositions of Collateral.** The Securing Parties will not sell, transfer, lease, or otherwise dispose of any of the Collateral, or attempt, offer or contract to do so. For the avoidance of doubt, the exercise of the Current Charge by the Bank and the transfer by the Subsidiary of any or all of the assets under the Current Charge to the Bank, shall not be considered a sale, transfer, lease or otherwise disposition of the Collateral.

(k) **Further Identification of Collateral.** The Securing Parties will furnish to the Secured Parties from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Parties may reasonably request, all in detail acceptable to the Secured Parties.

(l) **Notice of Change of State of Incorporation.** Without 30 days' prior written notice to, and the prior written consent from, the Majority Secured Parties, the Securing Parties shall not (i) change the Securing Parties' name, state of incorporation or organization, organizational identification number or place of business (or, if the Securing Parties have more than one place of business, their respective chief executive offices), or the office in which the Securing Parties' records relating to Receivables are kept, (ii) keep Collateral consisting of Chattel Paper and documents at any location other than their chief executive offices set forth on

Schedule 2(f), or (iii) keep Collateral consisting of Equipment, Inventory or other goods at any location other than the locations set forth in **Schedule 2(f)**.

(m) **Future Commercial Tort Claims**. The Securing Parties will promptly give notice to the Secured Parties upon the initiation of any Commercial Tort Claim. The Securing Parties hereby authorize the Secured Parties to amend this Agreement (without any further action or consent from the Securing Parties) to include any such Commercial Tort Claim as Collateral hereunder.

(n) **Deposit Accounts**. If requested by the Secured Parties, for each deposit account maintained by the Securing Parties, the Securing Parties shall, along with the bank or other depository institution at which such deposit account is maintained (the "**Depository Bank**"), execute and deliver to the Secured Parties a Deposit Account Control Agreement in form and substance satisfactory to the Secured Parties. If requested by the Secured Parties, the Securing Parties shall also obtain a blocked account, lockbox or similar agreement with all or certain Depository Banks. Without ten days prior written notice to the Secured Parties, the Securing Parties shall not establish any deposit account not set forth on **Schedule 3(n)**.

(o) Intentionally omitted.

(p) **Collection of Receivables**. The Securing Parties shall collect, enforce and receive delivery of the Receivables in accordance with past practice until otherwise notified by the Secured Parties.

(q) **Insurance**. The Securing Parties shall (i) maintain and keep in force during the term of this Agreement such insurance policies as set forth in **Schedule 2(f)**, (ii) deliver to the Secured Parties from time to time, as the Secured Parties may request, schedules setting forth all insurance then in effect, and (iii) deliver to the Secured Parties copies of each policy of insurance which replaces, or evidences the renewal of, each existing policy of insurance at least 15 days prior to the expiration of such policy. If requested by the Secured Parties, the Secured Parties shall be named as additional insured or additional loss payee, as appropriate, on all liability and property insurance of the Securing Parties and such policies shall contain such additional endorsements as shall be required by the Secured Parties.

(r) **Mortgagee Waivers**. The Securing Parties shall obtain waivers or subordinations of Liens from landlords and mortgagees, and the Securing Parties shall, in all instances, obtain signed acknowledgements of the Secured Parties' Lien from bailees having possession of any of the Securing Parties' Collateral that they hold such Collateral for the benefit of the Secured Parties pursuant to Section 9313(c) of the UCC.

(s) **Letters of Credit**. If the Securing Parties is or becomes the beneficiary of a letter of credit, the Securing Parties shall promptly, and in any event within two business days after becoming a beneficiary, notify the Secured Parties thereof and enter into a tri-party agreement with the Secured Parties and the issuer or confirmation bank with respect to such Letter of Credit Rights assigning such Letter of Credit Rights to the Secured Parties and directing

all payments thereunder to the Secured Parties, all in form and substance satisfactory to the Secured Parties.

(t) **Electronic Chattel Paper.** The Securing Parties shall take all steps necessary to grant the Secured Parties control of all Electronic Chattel Paper in accordance with the UCC and all "transferable records" as defined in each of the Uniform Electronic Transactions Act and the Electronic Signatures in Global and National Commerce Act.

(u) **Intellectual Property Matters.** The Securing Parties shall notify the Secured Parties immediately if it knows or has reason to know (i) that any application or registration relating to any of its Intellectual Property may become abandoned or dedicated, or (ii) of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) regarding the Securing Parties' ownership of any Intellectual Property.

(v) **Intellectual Property Applications.** Except for applications filed by the Securing Party prior to the execution of this Agreement, the Securing Parties shall not, neither by themselves nor through any agent, employee, licensee or designee, file an application for the registration of any patent, trademark or copyright with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency without giving the Secured Parties prior written notice thereof, and, upon request of the Secured Parties, the Securing Parties shall execute and deliver any and all security documents as the Secured Parties may reasonably request to evidence the Secured Parties' Lien on such Intellectual Property and the general intangibles of the Securing Parties relating thereto or represented thereby. The Securing Parties hereby authorize the Secured Parties to amend this Agreement (without any further action or consent from the Securing Parties) to include any such patent, trademark or copyright as Collateral hereunder.

(w) **Intellectual Property Abandonment.** The Securing Parties shall take all actions necessary or reasonably requested by the Secured Parties to maintain and pursue each application, to obtain the relevant registration and to maintain the registration of their Intellectual Property, including the filing of applications for renewal, affidavits of use, affidavits of noncontestability and opposition and interference and cancellation proceedings, unless the Majority Secured Parties shall determine that such Intellectual Property is not material to the conduct of their business.

(x) **Protection of Intellectual Property.** In the event that any of the Securing Parties' Intellectual Property is infringed upon, or misappropriated or diluted by a third party, the Securing Parties shall notify the Secured Parties promptly after the Securing Parties learns thereof. The Securing Parties shall, unless the Majority Secured Parties shall reasonably determine that such Intellectual Property is in no way material to the conduct of their businesses or operations, promptly sue for, and seek recovery of any and all damages resulting from such infringement, misappropriation or dilution, and shall take such other actions as the Secured Parties shall reasonably deem necessary, appropriate or desirable under the circumstances to protect such Intellectual Property.

(y) **Chattel Paper.** The Securing Parties shall type, print or stamp conspicuously on the face of all original copies of all Collateral consisting of Chattel Paper and Documents not in the possession of the Secured Parties a legend satisfactory to the Secured Parties indicating that such Chattel Paper is subject to the security interest granted hereby.

(z) **Limitation on Filing of Financing Statements.** The Securing Parties acknowledge that they are not authorized to file any financing statement or amendment or termination statement with respect to any financing statement without the prior written consent of the Secured Parties and agrees that they will not do so without the prior written consent of the Secured Parties, subject to the Securing Parties' rights under Section 9509(d)(2) of the UCC.

4. **Event of Default; the Secured Parties' Appointment as Attorney-in-Fact.**

(a) **Event of Default.** For purposes of this Agreement, the occurrence of any one of the following events (each, an "**Event of Default**") shall constitute any of the events listed in subsections 10(A) through 10(D) of the Notes and any default under this Agreement (which is not listed in subsections 10(A) through 10(D) of the Notes), which is not cured within 7 days from the delivery to the Securing Parties of a written notice of such breach by the Secured Parties.

(b) **Powers.** Without limiting in any way the responsibility and obligations of the Securing Parties and not as substitute to such obligations, and without derogating from Section 5 below, the Securing Parties hereby appoint the Secured Parties and any officer or agent of the Secured Parties, with full power of substitution, as their attorney-in-fact with full irrevocable power and authority in the place of the Securing Parties and in the name of the Securing Parties or their own name, from time to time in the Secured Parties' discretion so long as an Event of Default has occurred and is continuing, for the purpose of carrying out the terms of this Agreement, to take any appropriate action and to authenticate any instrument which may be reasonably necessary or desirable to accomplish the purposes of this Agreement. Without limiting the foregoing, so long as an Event of Default has occurred and is continuing, the Secured Parties shall have the right, without notice to, or the consent of, the Securing Parties, to do any of the following on the Securing Parties' behalf:

(i) to pay or discharge any taxes or Liens levied or placed on or threatened against the Collateral;

(ii) to direct any party liable for any payment under any of the Collateral to make payment of any and all amounts due or to become due thereunder directly to the Secured Parties or as the Secured Parties directs;

(iii) to ask for or demand, collect, and receive payment of and receipt for, any payments due or to become due at any time in respect of or arising out of any Collateral;

(iv) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to enforce any right in respect of any Collateral;

(v) to defend any suit, action or proceeding brought against the Securing Parties with respect to any Collateral;

(vi) to settle, compromise or adjust any suit, action or proceeding described in subsection (v) above and to give such discharges or releases in connection therewith as the Secured Parties may deem appropriate;

(vii) to assign any patent right included in the Collateral of the Securing Parties (along with the goodwill of the business to which any such patent right pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Secured Parties shall in its sole discretion determine; and

(viii) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral and to take, at the Secured Parties' option and the Securing Parties' expense, any actions which the Secured Parties deems necessary to protect, preserve or realize upon the Collateral and the Secured Parties' Lien on the Collateral and to carry out the intent of this Agreement, in each case to the same extent as if the Secured Parties were the absolute owner of the Collateral for all purposes.

The Securing Parties hereby ratify whatever actions the Secured Parties shall lawfully do or cause to be done in accordance with this Section 4. This power of attorney shall be a power coupled with an interest and shall be irrevocable.

(c) **No Duty on the Secured Parties' Part.** The powers conferred on the Secured Parties by this Section 4 are solely to protect the Secured Parties' interest in the Collateral and shall not impose any duty upon it to exercise any such powers. The Secured Parties shall be accountable only for amounts that it actually receive as a result of the exercise of such powers, and neither the Secured Parties nor any of its officers, directors, employees or agents shall be responsible to the Securing Parties for any act or failure to act pursuant to this Section 4.

5. **Filing Agent.**

(a) **Appointment.** The Secured Parties hereby appoint Vision Capital III LP as agent for filing purposes for the Secured Parties under this Security Agreement (in such capacity, the "Filing Agent") to serve from the date hereof until the termination of this Agreement.

(b) **Powers and Duties of Filing Agent, Indemnity by Secured Parties.** Each Secured Party hereby irrevocably authorizes the Filing Agent to take any action and to exercise any power in the name of each Secured Party and on its behalf, as shall be required and as shall be requested by the Securing Parties, solely for the purpose of filing, registration or application at or to any governmental authority, together with such powers as are reasonably incidental thereto. Filing Agent may execute any of its duties hereunder by or through agents or employees and shall be entitled to request and act in reliance upon the advice of counsel concerning all matters pertaining to its duties hereunder and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance therewith.

Neither the Filing Agent nor any of its directors, officers or employees shall be liable or responsible to any Secured Party or to the Securing Parties for any action taken or omitted to be taken by the Filing Agent or any other such person hereunder or under any related agreement, instrument or document, except in the case of gross negligence or willful misconduct on the part of the Filing Agent, nor shall the Filing Agent or any of its directors, officers or employees be liable or responsible for (a) the validity, effectiveness, sufficiency, enforceability or enforcement of the Notes, this Agreement or any instrument or document delivered hereunder or relating hereto; (b) the title of the Securing Parties to any of the Collateral or the freedom of the Collateral from any prior or other liens or security interests; (c) the determination, verification or enforcement of Securing Parties' compliance with any of the terms and conditions of this Agreement; (d) the failure by the Securing Parties to deliver any instrument or document required to be delivered pursuant to the terms hereof; or (e) the receipt, disbursement, waiver, extension or other handling of payments or proceeds made or received with respect to the Collateral, the servicing of the Collateral or the enforcement or the collection of any amounts owing with respect to the Collateral.

In the case of this Agreement and the transactions contemplated hereby and any related document relating to any of the Collateral, each of the Secured Parties agrees to pay to the Filing Agent, on demand, its pro rata share of all fees and all expenses incurred in connection with the operation and enforcement of this Agreement, the Notes or any related agreement to the extent that such fees or expenses have not been paid by the Securing Parties. In connection to this Agreement, and each instrument and document relating to any of the Collateral, each of the Secured Parties, severally and not jointly, and the Securing Parties hereby agree to hold the Filing Agent harmless, and to indemnify the Filing Agent from and against any and all loss, damage, expense or liability which may be incurred by the Filing Agent under this Agreement and the transactions contemplated hereby, unless such liability shall be caused by the willful misconduct or gross negligence of the Filing Agent; provided, however, that each Secured Party shall only be required to indemnify for an amount equal to the lesser of (a) its pro rata share of such indemnification, and (b) the amount paid by such Secured Party against the Note issued to such Secured Party.

6. **Performance by the Secured Parties of the Securing Parties' Obligations.** If the Securing Parties fail to perform or comply with any of their representations, warranties, covenants or agreements contained in this Agreement and the Secured Parties perform or comply, or otherwise cause performance or compliance, with such representation, warranty, covenant or agreement in accordance with the terms of this Agreement, then the expenses of the Secured Parties reasonably incurred in connection with such performance or compliance shall be payable by the Securing Parties to the Secured Parties on demand and shall constitute Obligations, which shall accrue interest at 10% per annum until paid, secured by this Agreement.

7. **Remedies.** If an Event of Default has occurred and is continuing, the Secured Parties may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement relating to the Obligations, all rights and remedies of a secured party under the UCC. Without limiting the foregoing, the Secured Parties, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law) to or upon the Securing Parties or any other

person (all of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances collect, receive, appropriate and realize upon any or all of the Collateral, and/or may sell, lease, assign, give an option or options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the foregoing), in one or more parcels at a public or private sale or sales, at any exchange, broker's board or office of the Secured Parties or elsewhere upon such terms and conditions as the Secured Parties may reasonably deem advisable, for cash or on credit or for future delivery without assumption of any credit risk. The Secured Parties shall have the right upon any such public sale or sales and, to the extent permitted by law, upon any such private sale or sales, to purchase all or any part of the Collateral so sold, free of any right or equity of redemption in the Securing Parties, which right or equity is hereby waived or released. The Secured Parties shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable expenses incurred therein or in connection with the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Parties under this Agreement (including, without limitation, reasonable attorneys' fees and expenses) to the payment in whole or in part of the Obligations, in such order as the Secured Parties may elect, and only after such application and after the payment by the Secured Parties of any other amount required by any provision of law, need the Secured Parties account for the surplus, if any, to the Securing Parties. To the extent permitted by applicable law, the Securing Parties waive all claims, damages and demands it may acquire against the Secured Parties arising out of the exercise by the Secured Parties of any of its rights hereunder. 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 ten days before such sale or other disposition. The Securing Parties shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the fees and disbursements of any attorneys employed by the Secured Parties to collect such deficiency. If an Event of Default has occurred and is continuing, in furtherance of the Secured Parties' rights hereunder, the Securing Parties hereby grant to the Secured Parties an irrevocable, non-exclusive license (exercisable without royalty or other payment by the Secured Parties) to use, license or sublicense any patent, trademark, tradename, copyright or other Intellectual Property in which the Securing Parties now or hereafter have any right, title or interest.

8. **Limitation on Duties Regarding Preservation of Collateral.** The Secured Parties' sole duty with respect to the custody, safekeeping and preservation of the Collateral, under Section 9207 of the UCC or otherwise, shall be to deal with it in the same manner as the Secured Parties deals with similar property for its own account. Neither the Secured Parties nor any of their respective directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Securing Parties or otherwise.

9. **Powers Coupled with an Interest.** All authorizations and agencies contained in this Agreement with respect to the Collateral are irrevocable and are powers coupled with an interest.

10. **No Waiver; Cumulative Remedies.** The Secured Parties shall not by any act (except by a written instrument pursuant to Section 12(a) hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any default under the Notes or in any breach of any of the terms and conditions of this Agreement. No failure to exercise, nor any delay in exercising, on the part of the Secured Parties, 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 the Secured Parties of any right or remedy under this Agreement on any one occasion shall not be construed as a bar to any right or remedy which the Secured Parties would otherwise have on any subsequent occasion. The rights and remedies provided in this Agreement are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

11. **Termination of Security Interest.** Upon the earlier of (i) payment of the Principal Amount (as defined in the Notes) and all accrued and unpaid interest thereon in accordance with the terms of the Notes, or (ii) conversion of the Notes into preferred shares of the Company, in accordance with the terms thereof, the security interest granted herein shall immediately terminate and all rights to the Collateral shall revert to the Securing Parties. Upon any such termination, the Secured Parties shall authenticate and deliver to the Securing Parties such documents as any of the Securing Parties may reasonably request to evidence such termination and for removal of any Lien applied to the Collateral or any part thereof hereunder.

The Secured Parties hereby appoint the Securing Parties and any officer or agent of the Securing Parties, with full power of substitution, as their attorney-in-fact with full irrevocable power and authority in the place of the Secured Parties and in the name of the Secured Parties or their own name, for the purpose of carrying out the terms of this Section 11, to take, subject to advance written notice to, or the consent of Secured Parties, any appropriate action and to authenticate any instrument which may be reasonably necessary or desirable to accomplish the purposes of this Section 11.

The Secured Parties hereby ratify (solely in the capacity of Secured Parties) whatever actions the Securing Parties shall lawfully do or cause to be done in accordance with this Section 11. This power of attorney shall be a power coupled with an interest and shall be irrevocable.

12. **Miscellaneous.**

(a) **Amendments and Waivers.** Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived with the written consent of the Majority Secured Parties and the Securing Parties. Any amendment or waiver effected in accordance with this Section 12(a) shall be binding upon the parties and their respective successors and assigns.

The term "Majority Secured Parties" shall mean at least 2 of the Secured Parties holding upon the execution of this Agreement at least 50% of the aggregate principle amount of Notes.

(b) **Transfer; Successors and Assigns.** The terms and conditions of this Agreement shall be binding upon the Securing Parties and their successors and assigns, as well as all persons who become bound as a Securing Parties to this Agreement and inure to the benefit of the Secured Parties and its successors and assigns. Nothing in this Agreement, express or implied, is intended to confer upon any parties other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

(c) **Governing Law.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law and the eligible courts in the State of Delaware shall have exclusive jurisdiction over all disputes between the parties.

(d) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(e) **Titles and Subtitles.** The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

(f) **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient upon receipt, when delivered personally or by courier, overnight delivery service or confirmed facsimile, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, if such notice is addressed to the parties to be notified at such party's address or facsimile number as set forth below or as subsequently modified by written notice.

(h) **Payments Free of Taxes, Etc.** All payments made by the Securing Parties under this Agreement shall be made by the Securing Parties free and clear of and without deduction for any and all present and future taxes, levies, charges, deductions and withholdings. In addition, the Securing Parties shall pay upon demand any stamp or other taxes, levies or charges of any jurisdiction with respect to the execution, delivery, registration, performance and enforcement of this Agreement. Upon request by the Secured Parties, the Securing Parties shall furnish evidence satisfactory to the Secured Parties that all requisite authorizations and approvals by, and notices to and filings with, governmental authorities and regulatory bodies have been obtained and made and that all requisite taxes, levies and charges have been paid.

(i) **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith, in order to maintain the economic position enjoyed by each party as close as possible to that under the provision rendered unenforceable. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such

provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(j) Entire Agreement. This Agreement, and the documents referred to herein constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and any and all other written or oral agreements existing between the parties hereto concerning such subject matter are expressly canceled.

[Signature Pages Follow]

Execution Copy

The Securing Parties and the Secured Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

SECURING PARTIES:

SPHERA CORPORATION.

By: _____

Name: Michal Gold

Title: President & CEO

Address:

Sphera Corporation
717 Seventeenth Street Suite 1410
Denver, CO 80202 USA

Attention: Michael Gold
Chief Executive Officer
Fax: 1-303-2972232
E-mail: mgold@sphera.com

SPHERA TECHNOLOGIES LTD.

By: _____

Name: Michael Gold

Title: Board Member

Address:

Sphera Technologies Ltd.
23 Hamelacha Street, Afeq Industrial Park
Rosh Aa'ayin 48091, Israel

Attention: Roy Saar
Founder, International Sales
Fax: +972-3-9008210
E-mail: rsaar@sphera.com

**SIGNATURE PAGE TO
SECURITY AGREEMENT**

**PATENT
REEL: 017731 FRAME: 0230**

SECURED PARTIES:

VISION CAPITAL III LP by its General Partner
Vision III Partners Ltd.

By: _____
Name:
Title:

TLCOM I L.P. by its manager
TLcom Capital Partners Limited

By: _____
Name:
Title:

TLCOM IB L.P. by its manager
TLcom Capital Partners Limited

By: _____
Name:
Title:

TLCOM IC L.P. by its manager
TLcom Capital Partners Limited

By: _____
Name:
Title:

TLCOM ID L.P. by its manager
TLcom Capital Partners Limited

By: _____
Name:
Title:

BA Capital Partners, L.P.

By: BA Capital Partners GP, L.P.

Title: General Partner

By: BA Capital Partners GP, L.L.C.

Title: General Partner

By: _____
Name:
Title:

Jerusalem Venture Partners III, L.P.

By: Jerusalem Partners III, L.P., its General Partner

By: Jerusalem Venture Partners Corporation, its General Partner

By: _____

Name:

Title:

Jerusalem Venture Partners Entrepreneur Fund III, L.P.

By: Jerusalem Partners III, L.P., its General Partner

By: Jerusalem Venture Partners Corporation, its General Partner

By: _____

Name:

Title:

Jerusalem Venture Partners III (Israel), L.P.

By: Jerusalem Venture Partners III (Israel) Management Company Ltd., its General Partner

By: _____

Name:

Title:

JVP III Annex Fund, L.P.

By: Jerusalem Annex Partners III, L.P., its General Partner

By: Jerusalem Venture Partners Corporation, its General Partner

By: _____

Name:

Title:

Roy Saar

Execution Copy

21

Filing Agent:

VISION CAPITAL III LP by its General Partner
Vision III Partners Ltd.

By: _____

Name:

Title:

Execution Copy

The Securing Parties and the Secured Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

SECURING PARTIES:

SPHERA CORPORATION.

By: 

Name: Michal Gold

Title: President & CEO

Address:

Sphera Corporation
717 Seventeenth Street Suite 1410
Denver, CO 80202 USA

Attention: Michael Gold
Chief Executive Officer
Fax: 1-303-2972232
E-mail: mgold@sphera.com

SPHERA TECHNOLOGIES LTD.

By: 

Name: Michael Gold

Title: Board Member

Address:

Sphera Technologies Ltd.
23 Hamelacha Street, Afek Industrial Park
Rosh A'ayin 48091, Israel

Attention: Roy Saar
Founder, International Sales
Fax: +972-3-9008210
E-mail: rsaar@sphera.com

**SIGNATURE PAGE TO
SECURITY AGREEMENT**

SECURED PARTIES:

VISION CAPITAL III LP by its General Partner
Vision III Partners Ltd.

KB(CI) NOMINEES LIMITED AS
NOMINEE TO VISION CAPITAL III LP

By: _____
Name: _____
Title: _____

FOR KB (CI) NOMINEES LIMITED

TLCOM I L.P. by its manager
TLcom Capital Partners Limited

 DIR

Hilary Ford SECRET

2/6/2006

By: _____
Name: _____
Title: _____

TLCOM IB L.P. by its manager
TLcom Capital Partners Limited

By: _____
Name: _____
Title: _____

TLCOM IC L.P. by its manager
TLcom Capital Partners Limited

By: _____
Name: _____
Title: _____

TLCOM ID L.P. by its manager
TLcom Capital Partners Limited

By: _____
Name: _____
Title: _____

BA Capital Partners, L.P.

By: BA Capital Partners GP, L.P.

Title: General Partner

By: BA Capital Partners GP, L.L.C.

Title: General Partner

By: _____

Name: _____

Title: _____

SECURED PARTIES:

VISION CAPITAL III LP by its General Partner
Vision III Partners Ltd.

By: _____
Name: _____
Title: _____

TLCOM I L.P. by its manager
Tlcom Capital Partners Limited

By: _____
Name: Mauro Pretolani
Title: General Partner

TLCOM IB L.P. by its manager
Tlcom Capital Partners Limited

By: _____
Name: Mauro Pretolani
Title: General Partner

TLCOM IC L.P. by its manager
Tlcom Capital Partners Limited

By: _____
Name: Mauro Pretolani
Title: General Partner

TLCOM ID L.P. by its manager
Tlcom Capital Partners Limited

By: _____
Name: Mauro Pretolani
Title: General Partner

BA Capital Partners, L.P.

By: BA Capital Partners GP, L.P.

Title: General Partner

By: BA Capital Partners GP, L.L.C.

Title: General Partner

By: _____

Name: _____

Title: _____

312 974 8232

Execution Copy

19

SECURED PARTIES:

VISION CAPITAL III LP by its General Partner
Vision III Partners Ltd.

By: _____
Name: _____
Title: _____

TLCOM I L.P. by its manager
TLcom Capital Partners Limited

By: _____
Name: _____
Title: _____

TLCOM IB L.P. by its manager
TLcom Capital Partners Limited

By: _____
Name: _____
Title: _____

TLCOM IC L.P. by its manager
TLcom Capital Partners Limited

By: _____
Name: _____
Title: _____

TLCOM ID L.P. by its manager
TLcom Capital Partners Limited

By: _____
Name: _____
Title: _____

BA Capital Partners, L.P.

By: BA Capital Partners GP, L.P.

Title: General Partner

By: BA Capital Partners GP, L.L.C.

Title: General Partner

By: *M. Ann O'Brien*

Name: M. ANN O'BRIEN

Title: MANAGER

Jerusalem Venture Partners III, L.P.

By: Jerusalem Partners III, L.P., its General Partner

By: Jerusalem Venture Partners Corporation, its General Partner

By:

Name: Erel Margalit

Title:

Jerusalem Venture Partners Entrepreneur Fund III, L.P.

By: Jerusalem Partners III, L.P., its General Partner

By: Jerusalem Venture Partners Corporation, its General Partner

By:

Name: Erel Margalit

Title:

Jerusalem Venture Partners III (Israel), L.P.

By: Jerusalem Venture Partners III (Israel) Management Company Ltd., its General Partner

By:

Name: Erel Margalit

Title:

JVP III Annex Fund, L.P.

By: Jerusalem Annex Partners III, L.P., its General Partner

By: Jerusalem Venture Partners Corporation, its General Partner

By:

Name: Erel Margalit

Title:

Roy Saar

PATENT

REEL: 017731 FRAME: 0238

+97297404716

Execution Copy

19

Jerusalem Venture Partners III, L.P.

By: Jerusalem Partners III, L.P., its General Partner

By: Jerusalem Venture Partners Corporation, its General Partner

By: _____

Name: _____

Title: _____

Jerusalem Venture Partners Entrepreneur Fund III, L.P.

By: Jerusalem Partners III, L.P., its General Partner

By: Jerusalem Venture Partners Corporation, its General Partner

By: _____

Name: _____

Title: _____

Jerusalem Venture Partners III (Israel), L.P.

By: Jerusalem Venture Partners III (Israel) Management Company Ltd., its General Partner

By: _____

Name: _____

Title: _____

JVP III Annex Fund, L.P.

By: Jerusalem Annex Partners III, L.P., its General Partner

By: Jerusalem Venture Partners Corporation, its General Partner

By: _____

Name: _____

Title: _____



Roy Saar

Execution Copy

21

Filing Agent:

VISION CAPITAL III LP by its General Partner
Vision III Partners Ltd.

By: _____

Name: G. NORMAN

Title: Director

EXHIBIT I

SECURED PARTIES

Vision Capital III, LP
TLCOM I, LP
TLCOM I B, LP
TLCOM I C, LP
TLCOM I D, LP
BA Capital Partners, LP
Jerusalem Venture Partners III, LP
Jerusalem Venture Partners Entrepreneur Fund III, LP
Jerusalem Venture Partners III (Israel), LP
JVP III Annex Fund, LP
Roy Saar

			State	Application No.				
			USA	10/888,038				
			USA	10/487,481				
			USA	10/784,570				
			USA	11/042,478				
			USA	11/115,095				