

PATENT ASSIGNMENT

Electronic Version v1.1

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SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
First Circle Medical, Inc.	01/20/2006

RECEIVING PARTY DATA

Name:	Quantuck Advisors, LLC
Street Address:	300 E. Randolph Street
Internal Address:	Suite 2810
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60601

PROPERTY NUMBERS Total: 15

Property Type	Number
Application Number:	11042684
Application Number:	10820446
Application Number:	10970687
Application Number:	11096230
PCT Number:	US0328730
Patent Number:	RE38203
Patent Number:	5391142
Patent Number:	6406452
Patent Number:	6336911
Patent Number:	6347633
Patent Number:	6644320
Patent Number:	6415797
Patent Number:	6951219
Patent Number:	5730720

PATENT

500131939

REEL: 018015 FRAME: 0372

OP \$600.00 11042684

Patent Number:

6413233

CORRESPONDENCE DATA

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ATTORNEY DOCKET NUMBER:

209105.0001.

NAME OF SUBMITTER:

Pamela Chen

Total Attachments: 8

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PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (this “**Agreement**”) is dated as of January 20, 2006, by and between First Circle Medical, Inc., a Minnesota corporation (the “**Grantor**”) and Quantuck Advisors, LLC, an Illinois limited liability company, in its capacity as Collateral Agent (in such capacity, the “**Grantee**”) for benefit of itself and the other Secured Parties party to the Security Agreement (as defined below).

WITNESSETH:

WHEREAS, pursuant to the terms of that certain Note and Warrant Purchase Agreement (the “**Bridge Loan Agreement**”) dated as of even date herewith by and between Grantor, Grantee and Tyco Sigma Limited, a Bermuda company (“**Tyco**” and together with Grantee, the “**Secured Parties**”), the Secured Parties have undertaken to lend monies (the “**Bridge Loan**”) to the Grantor; and

WHEREAS, pursuant to the terms of that certain Security Agreement of even date herewith by and among the Grantor and the Secured Parties (the “**Security Agreement**”), the Grantor has granted to the Grantee and the Secured Parties a security interest in all of the assets of the Grantor, including all right, title and interest of in, to and under all now owned and hereafter acquired General Intangibles (as defined in the Security Agreement), as collateral security for the Grantor’s payment, performance and satisfaction of all of the Obligations (as defined in the Security Agreement).

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Security Interest in Patents and Licenses. To secure a prompt, complete and timely payment, performance and satisfaction of all of the Obligations, Grantor hereby grants to Grantee a continuing first priority security interest in, all of Grantor’s right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired:

(a) patents, registered patents, and patent applications, including, without limitation, the patents, registered patents, and patent applications listed on Schedule A attached hereto and made a part hereof, and (i) all renewals thereof, (ii) all income, royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements or dilutions thereof, and (iv) all of Grantor’s rights corresponding thereto throughout the world (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the “**Patents**”); and

(b) rights under or interests in any patent license agreements with any other party in connection with any of the Patents or such other party's Patents and registered patents and patent applications, whether Grantor is a licensor or licensee under any such license agreement, including without limitation, those license agreements listed on Schedule B, attached hereto and made a part hereof, and the right, upon the occurrence and during the continuation of an Event of Default (as defined in the Security Agreement), to prepare and sell any and all Inventory (as defined in the Security Agreement) now or hereafter owned by Grantor and now or hereafter covered by such licenses, and all books and all records (including, without limitation, customer lists, credit files, computer programs, printouts and other computer materials and records) pertaining to any of the foregoing (all of the foregoing are hereinafter referred to collectively as the "**Licenses**").

This security interest is granted in conjunction with the security interests granted to the Grantee pursuant to the Security Agreement and is not intended to increase the rights of the Grantee or the obligations of the Grantor beyond the rights and obligations contained in the Security Agreement. The Grantor hereby acknowledges and affirms that the rights and remedies of the Grantee with respect to the security interest in the Patents and the Licenses made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

2. Counterpart and Facsimile Signatures. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid and binding obligation of the executing party with the same force and effect as if such facsimile signature page were an original thereof.

* * * * *

IN WITNESS WHEREOF, the parties hereby have duly executed this Patent Security Agreement, dated for reference purposes only as of the date first above written.

First Circle Medical, Inc.

By: 

Name: Drew McCartney

Its: Chief Executive Officer

Quantuck Advisors, LLC

By: _____

Name: John McCartney

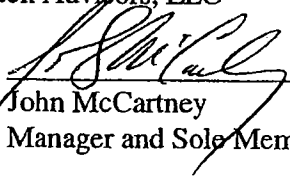
Its: Manager and Sole Member

IN WITNESS WHEREOF, the parties hereby have duly executed this Patent Security Agreement, dated for reference purposes only as of the date first above written.

First Circle Medical, Inc.

By: _____
Name: Drew McCartney
Its: Chief Executive Officer

Quantuck Advisors, LLC

By:  _____
Name: John McCartney
Its: Manager and Sole Member

Schedule A
to
Patent Security Agreement

Patents:

- I. U.S. Reissued Patent No. RE 38,203 E, issued July 22, 2003, a reissue of U.S. Patent No. 5,674,190, issued October 7, 1997
Inventor: Theodore C. Kelly
Title: Extracorporeal Whole Body Hyperthermia Using Alpha-Stat Regulation of Blood pH and pCO₂
- II. U.S. Patent No. 5,391,142, issued February 21, 1995
Inventors: Sites et al.
Title: Apparatus and Method for the Extracorporeal Treatment of the Blood of a Patient Having a Medical Condition
- III. U.S. Patent No. 6,406,452 B1, issued June 18, 2002
Inventor: Todd Westerbeck
Title: Bladder Catheter for Hyperthermia System
- IV. U.S. Patent No. 6,336,911 B1, issued January 8, 2002
Inventor: Todd Westerbeck
Title: Thermal Sensor for Hyperthermia System
- V. U.S. Patent No. 6,347,633 B1, issued February 19, 2002
Inventors: Groth et al.
Title: Treatment of Hepatitis C Using Hyperthermia
- VI. U.S. Patent No. 6,644,320 B2, issued November 11, 2003
Inventors: Groth et al.
Title: Treatment of Hepatitis C Using Hyperthermia
- VII. U.S. Patent No. 6,415,797 B1, issued July 9, 2002
Inventors: Groth et al.
Title: Treatment of Human Herpesviruses Using Hyperthermia
- VIII. U.S. Patent No. 6,951,219 B2, issued October 4, 2005
Inventors: Karl Emil Groth et al.
Title: Treatment of Hepatitis C Using Hyperthermia
- IX. U.S. Patent No. 5,730,720, issued March 24, 1998
Inventors: Sites et al.
Title: Perfusion Hyperthermia Treatment System and Method

X. U.S. Patent No. 6,413,233 B1, issued July 2, 2002

Inventors: Sites et al.

Title: Perfusion Hyperthermia Treatment System and Method

XI. European Patent No. 0852505, issued April 6, 2005

Inventors: Sites et al.

Title: Perfusion Hyperthermia Treatment System

XII Canadian Patent No. 2,229,138, issued December 25, 2001

Inventors: Sites et al.

Title: Perfusion Hyperthermia Treatment System and Method

Patents Pending

- a) U.S. Patent Application No. 11/042684, filed January 25, 2005,
Published as U.S. Patent Application Publication 2005/0125039 A1
Inventors: Groth, et al.
Title: Treatment of Hepatitis C Using Hyperthermia
- b) U.S. Patent Application No. 10/820,446, filed April 8, 2004,
Inventors: Van Hattum et al.
Title: Treatment of Steatosis Using Hyperthermia
- c) U.S. Patent Application No. 10/970,687, filed October 21, 2004
Inventors: Van Hattum et al
Title: Treatment of Steatosis Using Hyperthermia
- d) U.S. Patent Application No. 11/096,230, filed March 31, 2005
Inventors: Van Hattum et al.
Title: Treatment of Steatosis Using Hyperthermia
- e) National Stage applications filed December 20, 2000, in:
EPO (Appl'n No. 00988282.0, currently pending);
- f) Australia (Appl'n No. 24506/01,
- g) Canada (Appl'n No. 2366599),
- h) Japan (Appl'n No. 2001-551411),
- i) Korea (Appl'n No. 2001-70011725),
- j) National Stage applications filed May 20, 2001, in:
EPO (Appl'n No. 01958828.4)

- k) Japan (Appl'n No. 2002-508346),
 - l) PCT/US03/28730 (Published as WO 04/026097)
Inventors: Van Hattum et al.
Title: Treatment of Steatosis Using Hyperthermia
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Schedule B
to
Patent Security Agreement

None.
