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07-17-2006

Docket No.: 45568-00533

FORM PTO-1595 (Modified)
(Rev. 03-01)
OMB No. 0651-0027 (exp. 5/31/2002)
P08A/REV03

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U.S. DEPARTMENT OF COMMERCE

Patent and Trademark Office

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To the Director of the United States Patent and Trademark Office: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Otologics, LLC
5445 Airport Boulevard
Boulder, Colorado 80301

Additional names(s) of conveying party(ies)

☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☐ Security Agreement ☐ Change of Name
☒ Other 1st Amendment to Patent Security Agreement

Execution Date: April 20, 2006

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

Name: Fred R. FriswoldAddress: 5925 Tamarac AvenueCity: Edina State/Prov.: MinnesotaCountry: USA ZIP: 55436

Additional name(s) & address(es)

☒ Yes ☐ No

4. Application number(s) or patent numbers(s):

If this document is being filed together with a new application, the execution date of the application is: _____

Patent Application No.

Filing date

| | |
|------------|------------|
| 10/821,446 | 04/09/2004 |
| 10/821,721 | 04/09/2004 |
| 10/822,076 | 04/09/2004 |
| 10/821,719 | 04/09/2004 |

B. Patent No.(s)

| | | |
|-----------|-----------|-----------|
| 6,293,903 | 6,517,476 | 6,712,754 |
| 6,491,622 | 6,705,985 | 6,707,920 |
| 6,879,693 | 6,537,201 | 6,726,618 |
| 5,702,342 | 6,620,094 | 6,945,999 |

Additional numbers

☒ Yes ☐ No

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

Name: Thomas R. Marsh, Esq.Registration No. 31,039Address: Marsh Fischmann & Breyfogle LLP3151 South Vaughn Way, Suite 411City: Aurora State/Prov.: ColoradoCountry: USA ZIP: 80014

6. Total number of applications and patents involved:

39

7. Total fee (37 CFR 3.41):.....\$ 1,560.00☒ Enclosed - Any excess or insufficiency should be credited or debited to deposit account☐ Authorized to be charged to deposit account

8. Deposit account number:

50-1419

(Attach duplicate copy of this page if paying by deposit account)

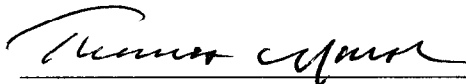
DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Thomas R. Marsh

Name of Person Signing



Signature

July 10, 2006

Date

14

07/14/2006 DBYRNE 00000002 10821446 Total number of pages including cover sheet, attachments, and document:

01 FC:8021

1560.00 DP

Mail documents to be recorded with required cover sheet information to:
Mail Stop Assignment Recordation Services
Director of the United States Patent and Trademark Office
P.O. Box 1450, Alexandria, VA 22313-1450

PATENT
REEL: 018099 FRAME: 0154

Continuation of Box 2. Name and Address of Receiving Party(ies):

Dorsey R. Gardner 2002 Trust
219 Lewis Wharf
Boston, Massachusetts 02110-3927

Dale R. Olseth
132 Homedale Road
Hopkins, Minnesota 55343

Ronald A. and Kristine S. Erickson
5123 Lake Ridge Road
Minneapolis, Minnesota 55436

David S. Erickson
5123 Lake Ridge Road
Minneapolis, Minnesota 55436

Brian Erickson
5123 Lake Ridge Road
Minneapolis, Minnesota 55436

Alfred & Rose Erickson Trust
FBO Donovan A. Erickson
4567 American Boulevard West
Minneapolis, Minnesota 55437

Continuation of Box 4. Application Number(s) or Patent Number(s):

| Patent Application No. | Filing Date | Patent No. |
|------------------------|-------------|------------|
| 11/097,113 | 04/01/2005 | 6,997,864 |
| 10/983,102 | 11/05/2004 | |
| 11/010,208 | 12/11/2004 | |
| 10/982,640 | 11/05/2004 | |
| 10/982,639 | 11/05/2004 | |
| 10/821,447 | 04/09/2004 | |
| 10/351,682 | 01/27/2003 | |
| 10/703,672 | 11/07/2003 | |
| 10/082,989 | 02/26/2002 | |
| 09/872,079 | 06/01/2001 | |
| 10/082,988 | 02/26/2002 | |
| 10/351,699 | 01/27/2003 | |
| 10/678,959 | 10/02/2003 | |
| 11/115,436 | 04/27/2005 | |
| 10/549,686 | 03/22/2004 | |
| 11/224,489 | 09/12/2005 | |
| 11/245,409 | 10/06/2005 | |
| 60/667,417 | 04/01/2005 | |
| 60/653,415 | 02/16/2005 | |
| 60/692,224 | 06/20/2005 | |
| 60/697,759 | 07/08/2005 | |
| 60/740,710 | 11/30/2005 | |

**FIRST AMENDMENT TO SECURED NOTE AND WARRANT PURCHASE
AGREEMENT, FIRST AMENDMENT TO SECURITY AGREEMENT AND FIRST
AMENDMENT TO PATENT SECURITY AGREEMENT**

THIS FIRST AMENDMENT TO SECURED NOTE AND WARRANT PURCHASE AGREEMENT, FIRST AMENDMENT TO SECURITY AGREEMENT AND FIRST AMENDMENT TO PATENT SECURITY AGREEMENT (this "Amendment") is made to be effective as of April 20, 2006, by and among Otologics, L.L.C., a Missouri limited liability company (the "Company") and the Purchasers who are signatories hereto (the "Amending Purchasers").

Recitals

A. The Company and the Purchasers have entered into that certain Secured Note and Warrant Purchase Agreement dated February 10, 2006 (the "Purchase Agreement"). Capitalized terms that are used herein and not defined herein shall have the meanings assigned to them in the Purchase Agreement.

B. The Company and the Purchasers have entered into that certain Security Agreement dated March 7, 2006 (the "Security Agreement") and Patent Security Agreement dated March 7, 2006 (the "Patent Security Agreement").

C. The Company and the Amending Purchasers, who constitute all of the Purchasers at the First Closing, desire to amend the Purchase Agreement to (i) allow for the issuance and sale of up to [REDACTED] of Notes under the Purchase Agreement, (ii) change the definition of "Required Purchasers" under the Purchase Agreement, and (iii) change the definition of "Required Secured Parties" under the Security Agreement and Patent Security Agreement, in each case as set forth below.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to the terms and conditions set forth herein.

Amendments

1. The first sentence of Section 2.2 of the Purchase Agreement is hereby deleted and replaced with the following:

"2.2 Additional Closings. At any time on or before June 30, 2006, the Company may issue additional Notes in one or more additional closings to one or more persons who qualify as "accredited investors" (as such term is defined in Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act")), including any Purchaser, until such time as the aggregate Loan Amounts of all Notes issued by the Company under this Agreement equals a maximum of [REDACTED]

The remaining sentences of Section 2.2 of the Purchase Agreement shall not be amended.

2. The last sentence of Section 6.6(a) of the Purchase Agreement is hereby deleted and replaced with the following:

“For purposes of this Agreement and the other Loan Documents, the term “Required Purchasers” shall mean any Purchaser or Purchasers (or their respective successors or assigns) holding at least 75% of the outstanding and unpaid principal amount owing under all Notes then outstanding.”

The remaining sentences of Section 6.6(a) of the Purchase Agreement shall not be amended.

3. The second sentence of Section 10(a) of the Security Agreement is hereby deleted and replaced with the following:

“For purposes of this Agreement and the other Loan Documents, the term “Required Secured Parties” shall mean any Secured Party or Secured Parties (or their respective successors or assigns) holding at least 75% of the outstanding and unpaid principal amount owing under all Notes then outstanding.”

The remaining sentences of Section 10(a) of the Security Agreement shall not be amended.

4. The second sentence of Section 9(a) of the Patent Security Agreement is hereby deleted and replaced with the following:

“For purposes of this Agreement and the other Loan Documents, the term “Required Secured Parties” shall mean any Secured Party or Secured Parties (or their respective successors or assigns) holding at least 75% of the outstanding and unpaid principal amount owing under all Notes then outstanding.”

The remaining sentences of Section 9(a) of the Patent Security Agreement shall not be amended.

5. This Amendment shall become effective when it is signed and delivered by the Company and each of the Purchasers from the First Closing.

6. Except as expressly amended by this Amendment, the Purchase Agreement, the Security Agreement and the Patent Security Agreement are each ratified in its entirety and shall remain in full force and effect.

7. This Amendment may be delivered via facsimile and may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the parties have executed this First Amendment to Secured Note and Warrant Purchase Agreement, First Amendment to Security Agreement and First Amendment to Patent Security Agreement to be effective as of the date first written above.

COMPANY:

OTOLOGICS, L.L.C.

By: 

Jose Bedoya, Manager

AMENDING PURCHASERS:

MEDTRONIC, INC.

By: _____

Print Name: _____

Title: _____

IN WITNESS WHEREOF, the parties have executed this First Amendment to Secured Note and Warrant Purchase Agreement, First Amendment to Security Agreement and First Amendment to Patent Security Agreement to be effective as of the date first written above.

COMPANY:

OTOLOGICS, L.L.C.

By: _____
Jose Bedoya, Manager

AMENDING PURCHASERS:

MEDTRONIC, INC.

By: _____

Print Name: Michael D. Ellwein

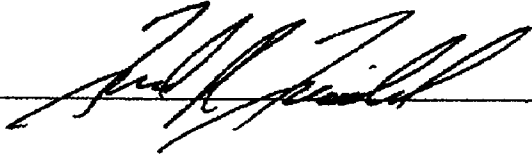
Title: VP and Chief Development Officer

[For Individuals]

IN WITNESS WHEREOF, the parties have executed this First Amendment to Secured Note and Warrant Purchase Agreement, First Amendment to Security Agreement and First Amendment to Patent Security Agreement to be effective as of the date first written above.

AMENDING PURCHASERS:

Print Name of Purchaser: Fred R. Friswold

Signature: _____

If promissory note is held as joint tenants or tenants in common:

Signature of Joint Tenant or Co-tenant: _____

[For Corporations, Partnerships, Limited Liability Companies, Trusts and other Entities]

IN WITNESS WHEREOF, the parties have executed this First Amendment to Secured Note and Warrant Purchase Agreement, First Amendment to Security Agreement and First Amendment to Patent Security Agreement to be effective as of the date first written above.

AMENDING PURCHASERS:

Print Legal Name of Purchaser: Dorsey R. Gardner 2002 Trust, dated January 16, 2003,

Dorsey R. Gardner and John F. O'Brien Original Trustees

Signature: Dorsey R. Gardner 2002 Trust, dated January 16, 2003
Dorsey R. Gardner and John F. O'Brien Original Trustees

Print Name of Person Executing: Dorsey R. Gardner

Print Title of Person Executing: Trustee

[For Individuals]

IN WITNESS WHEREOF, the parties have executed this First Amendment to Secured Note and Warrant Purchase Agreement, First Amendment to Security Agreement and First Amendment to Patent Security Agreement to be effective as of the date first written above.

AMENDING PURCHASERS:

Print Name of Purchaser: Dale R. Olseth

Signature: DALE R. OLSETH

If promissory note is held as joint tenants or tenants in common:

Signature of Joint Tenant or Co-tenant: _____

[For Individuals]

IN WITNESS WHEREOF, the parties have executed this First Amendment to Secured Note and Warrant Purchase Agreement, First Amendment to Security Agreement and First Amendment to Patent Security Agreement to be effective as of the date first written above.

AMENDING PURCHASERS:

Print Name of Purchaser: Ronald A. and Kristine S. Erickson

Signature: 

If promissory note is held as joint tenants or tenants in common:

Signature of Joint Tenant or Co-tenant: Kristine S Erickson

[For Individuals]

IN WITNESS WHEREOF, the parties have executed this First Amendment to Secured Note and Warrant Purchase Agreement, First Amendment to Security Agreement and First Amendment to Patent Security Agreement to be effective as of the date first written above.

AMENDING PURCHASERS:

Print Name of Purchaser: David S. Erickson

Signature: David S. Erickson

If promissory note is held as joint tenants or tenants in common:

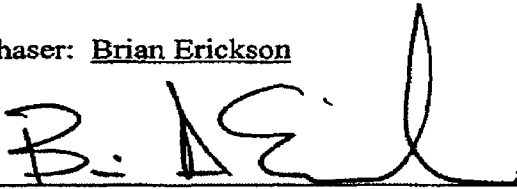
Signature of Joint Tenant or Co-tenant: _____

[For Individuals]

IN WITNESS WHEREOF, the parties have executed this First Amendment to Secured Note and Warrant Purchase Agreement, First Amendment to Security Agreement and First Amendment to Patent Security Agreement to be effective as of the date first written above.

AMENDING PURCHASERS:

Print Name of Purchaser: Brian Erickson

Signature: 

If promissory note is held as joint tenants or tenants in common:

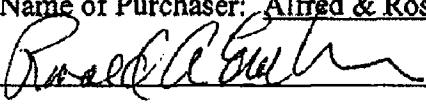
Signature of Joint Tenant or Co-tenant: _____

[For Corporations, Partnerships, Limited Liability Companies, Trusts and other Entities]

IN WITNESS WHEREOF, the parties have executed this First Amendment to Secured Note and Warrant Purchase Agreement, First Amendment to Security Agreement and First Amendment to Patent Security Agreement to be effective as of the date first written above.

AMENDING PURCHASERS:

Print Legal Name of Purchaser: Alfred & Rose Erickson Trust, FBO Donovan A. Erickson

Signature: 

Print Name of Person Executing: Ronald A. Erickson

Print Title of Person Executing: Trustee