

PATENT ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Grant of Security Interest in Patents and Trademarks
CONVEYING PARTY DATA	
Name	Execution Date
Chad Therapeutics, Inc.	07/30/2007
RECEIVING PARTY DATA	
Name:	Calliope Capital Corporation
Street Address:	335 Madison Ave., 10th Floor
Internal Address:	c/o Laurus Capital Management, LLC
City:	New York
State/Country:	NEW YORK
Postal Code:	10017
PROPERTY NUMBERS Total: 5	
Property Type	Number
Patent Number:	5134886
Patent Number:	6386235
Patent Number:	6484721
Application Number:	11037523
Application Number:	11157708
CORRESPONDENCE DATA	
Fax Number:	(202)756-9299
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	8002210770
Email:	matthew.mayer@thomson.com
Correspondent Name:	Corporation Service Company
Address Line 1:	1133 Avenue of the Americas
Address Line 2:	Suite 3100
Address Line 4:	New York, NEW YORK 10036
ATTORNEY DOCKET NUMBER:	CSC # 058882

CH \$200.00 5134886

NAME OF SUBMITTER:

Matthew Mayer

Total Attachments: 6

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**GRANT OF SECURITY INTEREST
IN PATENTS AND TRADEMARKS**

THIS GRANT OF SECURITY INTEREST ("Grant"), effected as of July 30, 2007, is executed by Chad Therapeutics, Inc., a California corporation (the "Grantor"), in favor of Calliope Capital Corporation (the "Secured Party").

A. Pursuant to a Security Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement") among the Grantor and the Secured Party, the terms and provisions of which are hereby incorporated herein as if fully set forth herein, the Grantor has granted a security interest to the Secured Party in consideration of the Secured Party's agreement to provide financial accommodations to Grantor.

B. The Grantor (1) has adopted, used and is using the trademarks reflected in the trademark registrations and trademark applications in the United States Patent and Trademark Office more particularly described on Schedule 1 annexed hereto as part hereof (the "Trademarks"), and (2) has registered or applied for registration in the United States Patent and Trademark Office of the patents more particularly described on Schedule 2 annexed hereto as part hereof (the "Patents").

C. The Grantor wishes to confirm its grant to the Secured Party of a security interest in all right, title and interest of the Grantor in and to the Trademarks and Patents, and all proceeds thereof, together with the business as well as the goodwill of the business symbolized by, or related or pertaining to, the Trademarks, and the customer lists and records related to the Trademarks and Patents and all causes of action which may exist by reason of infringement of any of the Trademarks and Patents (collectively, the "T&P Collateral"), to secure the payment, performance and observance of the Obligations (as that term is defined in the Security Agreement).

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged:

1. The Grantor does hereby further grant to the Secured Party a security interest in the T&P Collateral to secure the full and prompt payment, performance and observance of the Obligations.

2. The Grantor agrees to perform, so long as the Security Agreement is in effect, all acts deemed necessary or desirable by the Secured Party to permit and assist it, at the Grantor's expense, in obtaining and enforcing the Trademarks and Patents in any and all countries. Such acts may include, but are not limited to, execution of documents and assistance or cooperation in legal proceedings. The Grantor hereby appoints the Secured Party as the Grantor's attorney-in-fact to execute and file any and all agreements, instruments, documents and papers as the Secured Party may determine to be necessary or desirable to evidence the Secured Party's

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security interest in the Trademarks and Patents or any other element of the T&P Collateral, all acts of such attorney-in-fact being hereby ratified and confirmed.

3. The Grantor acknowledges and affirms that the rights and remedies of the Secured Party with respect to the security interest in the T&P Collateral granted hereby are more fully set forth in the Security Agreement and the rights and remedies set forth herein are without prejudice to, and are in addition to, those set forth in the Security Agreement. In the event that any provisions of this Grant are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.


4. The Grantor hereby authorizes the Secured Party to file all such financing statements or other instruments to the extent required by the Uniform Commercial Code and agrees to execute all such other documents, agreements and instruments as may be required or deemed necessary by the Secured Party, in each case for purposes of affecting or continuing Secured Party's security interest in the T&P Collateral.

5. This Grant may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one instrument. It is understood and agreed that if facsimile copies of this Grant bearing facsimile signatures are exchanged between the parties hereto, such copies shall in all respects have the same weight, force and legal effect and shall be fully as valid, binding, and enforceable as if such signed facsimile copies were original documents bearing original signature.

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IN WITNESS WHEREOF, the Grantor has caused this instrument to be executed as of the day and year first above written.

CHAD THERAPEUTICS, INC.

By: 
Name: Ethan L. Proca
Title: CEO

SCHEDULE 1 TO GRANT OF SECURITY INTEREST

REGISTERED TRADEMARKS AND TRADEMARK APPLICATIONS

<u>Trademark</u>	<u>Registration or Application Number</u>	<u>Registration or Application Date</u>	<u>Country</u>
CHAD	1,321,994	February 26, 1985	United States
OXYMIZER	1,324,305	March 12, 1985	United States
OXYCOIL	1,416,513	November 11, 1986	United States
OXYMATIC	1,723,543	October 13, 1992	United States
OXYLITE	1,841,758	June 28, 1994	United States
TOTAL O ₂	2,187,403	September 8, 1998	United States
OXYPneumatic	2,670,200	December 31, 2002	United States
OPTI-NARE	76/572,650	January 23, 2004	United States
OMNI-FILL	76/619,568	November 5, 2004	United States
FLOPAP	76/654,779	February 7, 2006	United States
LOTUS	3,066,353	March 7, 2006	United States
BONSAI	76,669,051	November 13, 2006	United States
OMNI-5	76/673,192	February 26, 2007	United States
BECAUSE EVERY BREATH COUNTS	76/673,389	February 28, 2007 March 1, 2007	United States
THE POWER OF SIX	76/673,218	February 26, 2007 July 16, 2007	United States
OMNI-2	76/673,219	February 26, 2007 July 16, 2007	United States
FLOCHANNEL	77/249,908	August 8, 2007	United States

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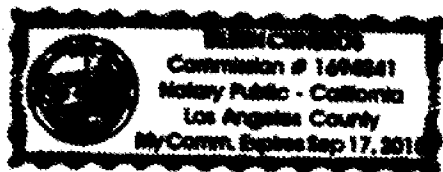
SCHEDULE 2 TO GRANT OF SECURITY INTEREST

PATENTS AND PATENT APPLICATIONS

	<u>Patent</u>	<u>Registration or Application Number</u>	<u>Registration or Application Date</u>	<u>Country</u>
1.	CAPACITIVE PRESSURE TRANSDUCER	5,134,886	August 4, 1992	United States
2.	AMBULATORY POST VALVE	6,386,235	May 14, 2002	United States
3.	SINGLE LUMEN CANNULA PNEUMATIC CONSERVER	6,484,721	November 26, 2002	United States
4.	TRANSFILL WITH PRE-INTENSIFIER TAKEOFF	11/037,523	January 18, 2005	United States
5.	CYLINDER INDENTIFICATION	11/157,708	June 21, 2005	United States

STATE OF California
COUNTY OF Los Angeles) ss.:

On this 10th day of August, 2007 before me personally came _____
Earl L Yager who, being by me duly sworn, did state as follows: that [s]he is
CEO of CHAD THERAPEUTICS, INC., a California corporation, that [s]he is
authorized to execute the foregoing Grant on behalf of said corporation and that [s]he did so by
authority of the Board of Directors of said corporation.



Eileen Asner
Notary Public

Grant