

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Security Agreement with two Promissory Notes
CONVEYING PARTY DATA	
Name	Execution Date
Surgicon, Inc.	08/30/2002
RECEIVING PARTY DATA	
Name:	Apollo Camera, L.L.C.
Street Address:	329 West Lincoln Street
City:	Tullahoma
State/Country:	TENNESSEE
Postal Code:	37388
PROPERTY NUMBERS Total: 1	
Property Type	Number
Application Number:	10619987
CORRESPONDENCE DATA	
Fax Number:	(330)877-2030
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	3308770700
Email:	sblackmon@martinferraro.com
Correspondent Name:	Martin & Ferraro, LLP
Address Line 1:	1557 Lake O'Pines Street, NE
Address Line 4:	Hartville, OHIO 44632
ATTORNEY DOCKET NUMBER:	127.0003-03000
NAME OF SUBMITTER:	Thomas H. Martin
Total Attachments: 22 source=Security Agreement with Promissory Notes#page1.tif source=Security Agreement with Promissory Notes#page2.tif source=Security Agreement with Promissory Notes#page3.tif source=Security Agreement with Promissory Notes#page4.tif source=Security Agreement with Promissory Notes#page5.tif	

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SETTLEMENT AND RELEASE AGREEMENT

Settlement and Release Agreement (as amended, supplemented or otherwise modified from time to time, this "Agreement"), dated August 30, 2002, by and among APOLLO CAMERA, L.L.C., a Tennessee limited liability company (together with its successors and assigns, "Apollo") and SURGICON, INC., a Nevada corporation (together with its successors and assigns, "Surgicon").

1. AGREEMENTS.

1.1 Agreement of Surgicon. *** [I]n consideration of the representations, warranties, covenants and agreements of Apollo as set forth herein and in the other documents, and agreements executed in connection herewith, Surgicon hereby agrees:

* * *

(b) to execute and deliver two separate promissory notes to Apollo, *** which provide, among other things, that Apollo shall have a continuing security interest in the Intellectual Property transferred to Surgicon pursuant to Section 1.3 hereof to the extent and in accordance with the terms and conditions reflected in such Notes;

* * *

(f) to have taken all action required to be taken in connection with the transactions contemplated hereby and to have delivered all other agreements, instruments, approvals and other documents as Apollo may have reasonably requested in connection with the transactions contemplated hereby; and

* * *

1.2. Agreement of Apollo. *** [I]n consideration of the representations, warranties, covenants and agreements of Surgicon as set forth herein and in the other documents and agreements executed in connection herewith, Apollo hereby agrees:

* * *

(b) in accordance with Section 1.3, to execute and deliver to Surgicon assignments (collectively, the "Assignments") transferring and assigning all of Apollo's right, title and interest in and to each of the patents set forth on Schedule A attached hereto (collectively, the "Patents") and the applications for letters patent set forth on Schedule B attached hereto (collectively, the "Patent Applications) as more particularly set forth in this Agreement and such Assignments (it being understood and agreed by Surgicon that Apollo will have a continuing security interest in the Intellectual Property transferred to Surgicon pursuant to Section 1.3 hereof, to the extent and in accordance with the terms and conditions reflected in the Notes), provided, however, such

Assignments and transfer of all right, title and interest in and to the Patents and Patent Applications shall expressly and specifically not include any right, title and interest in and to the patents as set forth in Schedule C (collectively, the "Apollo Patents");

* * *

1.3 Transfer of Intellectual Property. Apollo hereby sells, assigns, transfers and sets over to Surgicon all of Apollo's worldwide right, title and interest in and to (a) all of the Patents and Patent Applications, (b) all patents that in the future are issued with respect to any Patent Application including, without limitation, utility models, design patents and certificates of invention, (c) all re-examinations, re-issues, renewals, extensions, divisionals, continuations-in-part, and continuations issued on the Patents and Patent Applications, (d) all foreign counterparts of the Patents and Patent Applications, (e) all new patents and patent applications obtained on or in respect of any improvements or inventions related to any of the foregoing, (f) all past, present and future ideas (whether or not patentable or protectable by copyright or similar laws), inventions, discoveries, proprietary rights, processes, designs and improvements thereon conceived or developed or reduced to practice in whole or in part by John Shipp or in which John Shipp had aided in its development except for the Apollo Patents, (g) all Technical Information (as hereinafter defined), (h) all other inventions, discoveries, confidential or proprietary information, technical information, process technology, plans, products, prototypes, drawings, blue prints, contract rights, general intangibles and goodwill relating to the foregoing and (i) all claims and causes of action (and any awards, damages, settlements, expenses or judgements granted in connection therewith) relating to any person's or entity's misappropriation, misuse, infringement or any other similar action relating to any of the foregoing rights (past, present and future) and any right to initiate, institute, litigate or prosecute or participate in the initiating, instituting, litigating or prosecuting of any such claim or cause of action (all of the foregoing, including clauses "(a)" to "(i)", inclusive, collectively, the "Intellectual Property") and Apollo further covenants and agrees that, as reasonably requested by Surgicon in writing, which writing shall include a detailed explanation for such request, Apollo will execute and deliver such papers that Apollo has the right and ability to provide, and which may be necessary or desirable to perfect the title to the Intellectual Property in Surgicon including, without limitation, the Assignments. "Technical Information" means all molds, equipment, know-how, trade secrets, invention disclosures, specifications, standard operating procedures, engineering notebooks and drawings, batch records, process information, flow charts, equipment specifications, raw material source information, raw material specifications, raw material processing information, final product specifications, and any other documents or information and improvements thereof, and tests, data, reports and information currently necessary for the exploitation of the Patents, the Patent Applications or for the manufacture of the products contemplated thereby, including, without limitation, information, data and analysis prepared for clinical trial studies and filings and submissions with or to any regulatory authority leading to United States Food and Drug Administration or other regulatory approvals, whether or not such approvals are actually realized, involving or relating to the Patents or the Patent Applications. Notwithstanding the foregoing, Surgicon expressly acknowledges and agrees that nothing herein shall in any way set over, convey, transfer, assign, grant, license, cede or otherwise provide to Surgicon any right, title or interest in and to any of the Apollo Patents, including, without limitation, any intellectual property directly related to the Apollo Patents, including any other inventions, patent

applications (whether U.S. or foreign), patents (whether U.S. or foreign), copyrights, trademarks, service marks, trade secrets, trade dress, designs, configurations, methodologies, ideas (whether or not patentable or protectable by copyright or similar laws), process technology, plans, products, prototypes, drawings, blue prints, contract rights, general intangibles, goodwill, Technical Information currently necessary for the exploitation or manufacture of the Apollo Patents, discoveries, processes, designs and improvements thereon conceived or developed or reduced to practice in whole or in part, or any proprietary or confidential information whatsoever.

1.7 Closing. The closing of the transactions contemplated by this Agreement (including, without limitation, the delivery of the agreements, certificates, instruments and other documents contemplated hereby) shall take place at Surgicon's office located at 400 Long Beach Boulevard, Stratford, Connecticut 06615 at 10:00 a.m., Connecticut time, on the date hereof (the "Closing" and such date and time being called the "Closing Date").

2. REPRESENTATIONS, WARRANTIES, AGREEMENTS AND COVENANTS OF APOLLO.

Apollo hereby represents, warrants, agrees and covenants to Surgicon as of the Closing Date that:

2.10 Creditors. Each of the Secured Creditors has executed and delivered to Surgicon a consent substantially in the form attached hereto as Exhibit D. ***

7. MISCELLANEOUS.

7.1 Survival of Warranties. The warranties, representations and covenants of the parties hereto contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and shall in no way be affected by any investigation of the subject matter thereof made by or on behalf of the parties hereto.

7.2 Successors. This Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto. Except as expressly set forth in Section 4, nothing in this Agreement, express or implied, is intended to confer upon any party 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.

7.3 Governing Law. This Agreement shall be governed by and construed under the laws of the State of New York without regard to the principles of conflicts of law. ***

7.4 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument.

7.5 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.

7.6 Notices. Any notices required in connection with this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by facsimile if sent during normal business hours of the recipient or, if not sent during such normal business hours, then on the next business day, provided a confirmation copy is sent the same day by a nationally recognized overnight courier, or (c) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written notification of receipt. All notices shall be addressed to the parties at their respective addresses or facsimile numbers set forth on the signature pages to this Agreement, unless and until any such party notifies the other parties hereto of a different address or facsimile number, with a copy of such notices as follows: (1) if such notice is to Apollo, then a copy of such notice shall also be delivered to Vail & Schneider, P.C., 295 Madison Avenue, 20th Floor, New York, New York 10017, Attention: Jeffrey Vail, Esq. and (2) if such notice is to Surgicon, then a copy of such notice shall also be delivered to LeBoeuf, Lamb, Greene & MacRae, L.L.P., Goodwin Square, 225 Asylum Street, 13th Floor, Hartford, Connecticut 06103, Attention: Dormer Stephen, Esq.

7.7 Amendments or Waivers. Any provision of this Agreement may be amended or the observance thereof may be waived (either generally or specifically and either retroactively or prospectively), only by an instrument in writing executed by Surgicon and Apollo. Any amendment or waiver so effected shall be binding upon Surgicon and Apollo and any assignee or successor of either such party.

7.8 Severability. In the event that one or more of the provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms. If any of the covenants set forth in Section 1.6 of this Agreement are held to be unreasonable, arbitrary, or against public policy, such covenants will be considered divisible with respect to scope, time, and geographic area, and in such lesser scope, time and geographic area, will be effective, binding and enforceable against Apollo.

7.9 Waiver. No waivers of any breach of this Agreement extended by any party hereto to any other party shall be construed as a waiver of any rights or remedies of any other party hereto or with respect to any subsequent breach.

7.10 Entire Agreement. This Agreement and the documents referred to herein constitute the entire agreement among the parties regarding the subject matters hereof.

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or proceeding is brought hereby waives the claim or defense therein that such party has an adequate remedy at law, and such party shall not offer in any such action or proceeding the claim or defense that such remedy at law exists.

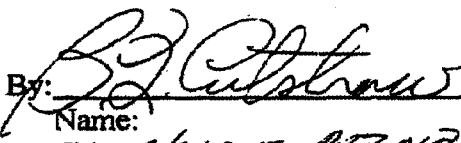
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

SURGICON, INC.

By: _____
Name:
Title:

Address: 400 Long Beach Boulevard
Stratford, Connecticut 06615
Fax: (203)380-8769

APOLLO CAMERA, L.L.C.

By:  _____
Name:
Title: *Chief Manager*

Address: 329 West Lincoln Street
Tullahoma, TN 37388

SCHEDULE A

PATENTS

TITLE	Application No./ Patent No.
Method of Applying a Surgical Ligation Clip	08/407,038 17MAR 95 5,593,414 14JAN97
Surgical Ligation Clip	PCT/US94/09326 18AUG94 WO 95/05778
Ligation Clip and Clip Applier	09/258,943 01MAR99 6,350,269 26FEB02
Low Profile Tool for Applying Spring Action Ligation Clips	08/316,730 03OCT94 5,858,018 12JAN99
Method of Ligating a Vessel or Duct	08/766,193 12DEC96 5,993,465 30NOV99
Low Profile Tool for Applying Spring Action Ligation Clips	39506/95 03OCT95 704166 22JUL99
Low Profile Tool for Applying Spring Action Ligation Clips	PCT/US95/12895 03OCT95 WO 96/10365
Surgical Ligation Clip with Increased Ligating Force	9/259,999 01MAR99 6,290,575 18SEP01
Single Sensor Video Imaging System and Method Using Sequential Color Object Illumination	07/905,278 26JUN92 5,264,925 23NOV93
Single Sensor Video Imaging System and Method Using Sequential Color Object Illumination	93916746.6 24JUN93 0601179 30DEC98
Single Sensor Video Imaging System and Method Using Sequential Color Object Illumination	PCT/US93/06055 24JUN93 WO 94/00954

Schedule A-1

Single Sensor Video Imaging System and Method Using Sequentail Color Object Illumination	12927/95 21NOV94 694466 05NOV98
Single Sensor Video Imaging System and Method Using Sequentail Color Object Illumination	PCT/US94/13476 21NOV94 WO 95/15060
Video Imaging Systems and Method Using a Single Interline Progressive Scanning Sensor and Sequentail Color Object Illumination	08/156,377 22NOV93 5,394,187 28FEB95
Video Imaging System and Method Using a Single Interline Progressive Scanning Sensor and Sequentail Color Object Illumination	11850/95 21NOV94 691227 27AUG98
Video Imaging System and Method Using a Single Interline Progressive Scanning Sensor and Sequentail Color Object Illumination	95902664 2 21NOV94 0682844 09JUN99
Video Imaging System and Method Using a Single Interline Progressive Scanning Sensor and Sequentail Color Object Illumination	PCT/US94/13475 21NOV94 WO 95/15061
Video Imaging System and Method Using a Single Full Frame Sensor and Sequential Color Object Illumination	08/156,064 22NOV93 5,408,268 18APR95
Video Imaging System and Method Using a Single Full Frame Sensor and Sequential Color Object Illumination	12964/95 22NOV94 691233 27AUG98
Video Imaging System and Method Using a Single Full Frame Sensor and Sequential Color Object Illumination	95904169.0 22NOV94 0683962 16AUG00
Video Imaging System and Method Using a Single Full Frame Sensor and Sequential Color Object Illumination	PCT/US94/13695 22NOV94 WO 95/15062

Schedule A-2

Battery Identification and Power Interrupt System	08/342,382 18NOV94 5,717,306 10FEB98
Cordless Bipolar Electrocautery Unit with Automatic Power Control	08/604,850 26FEB96 5,792,138 11AUG98
Cordless Bipolar Electrocautery Unit with Automatic Power Control	20403/97 18FEB97 730413 21 JUNE 01
Cordless Bipolar Electrocautery Unit with Automatic Power Control	PCT/IB97/00346 18FEB97 WO 97/30643

Schedule A-3

SCHEDULE B
PATENT APPLICATIONS

TITLE	Application No.
Surgical Ligation Clip	75689/94 18AUG94
Surgical Ligation Clip	71883/98 16JUN98
Surgical Ligation Clip	2,147,757 18AUG94
Surgical Ligation Clip	94925934.5 18AUG94
Surgical Ligation Clip	507661/95 18AUG94
Ligation Clip and Clip Applier	10/082,915 25FEB02
Method of Applying a Ligation Clip	10/082,927 25FEB02
Pre-Claming Method	09/441,898 17NOV99
Low Profile Tool for Applying Spring Action Ligation Clips	2,199,741 03OCT95
Low Profile Tool for Applying Spring Action Ligation Clips	98109075.2 03OCT95
Low Profile Tool for Applying Spring Action Ligation Clips	95937380.4 03OCT95
Low Profile Tool for Applying Spring Action Ligation Clips	512141/96 03OCT95
Single Sensor Video Imaging System and Method Using Sequential Color Object Illumination	2,115,647 24JUN93
Single Sensor Video Imaging System and Method Using Sequential Color Object Illumination	502581/94 24JUN93
LED Illumination System for Endoscopic Cameras	08/156,376 22NOV93

Schedule B-I

LED Illumination System for Endoscopic Cameras	08/531,424 21SEP95
LED Illumination System for Endoscopic Cameras	2,177,178 21NOV94
LED Illumination System for Endoscopic Cameras	95904110.4 21NOV94
Video Imaging System and Method Using a Single Interline Progressive Scanning Sensor and Sequential Color Object Illumination	2,153,149 21NOV94
Video Imaging System and Method Using a Single Interline Progressive Scanning Sensor and Sequential Color Object Illumination	515186/95 21NOV94
Video Imaging System and Method Using a Single Full Frame Sensor and Sequential Color Object Illumination	2,152,926 22NOV94
Video Imaging System and Method Using a Single Full Frame Sensor and Sequential Color Object Illumination	515273/95 22NOV94
Cordless Bipolar Electrocautery Unit with Automatic Power Control	2,243,995 18FEB97
Cordless Bipolar Electrocautery Unit with Automatic Power Control	97908446.6 18FEB97
Cordless Bipolar Electrocautery Unit with Automatic Power Control	529944/97 18FEB97
Surgical Irrigation Apparatus and Methods for Use	10/123,691 16APR02

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Schedule B-2

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THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") AND ARE "RESTRICTED SECURITIES" AS DEFINED IN RULE 144 PROMULGATED UNDER THE ACT. THE SECURITIES MAY NOT BE SOLD OR OFFERED FOR SALE OR OTHERWISE DISTRIBUTED EXCEPT (i) IN CONJUNCTION WITH AN EFFECTIVE REGISTRATION STATEMENT FOR THE SHARES UNDER THE ACT OR (ii) IN COMPLIANCE WITH RULE 144, OR (iii) PURSUANT TO AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY, THAT SUCH REGISTRATION OR COMPLIANCE IS NOT REQUIRED AS TO SAID SALE, OFFER OR DISTRIBUTION.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS (INCLUDING, WITHOUT LIMITATION, INDEMNIFICATION AND SET-OFF PROVISIONS) OF A CERTAIN SETTLEMENT AND RELEASE AGREEMENT BY AND BETWEEN THE COMPANY AND APOLLO CAMERA, L.L.C. (A COPY OF WHICH MAY BE OBTAINED FROM THE COMPANY) AND, UPON ANY PERMITTED TRANSFER OR ASSIGNMENT OF ANY INTEREST IN THE SECURITIES, THE TRANSFEREE OR ASSIGNEE ACCEPTS SUCH INTEREST SUBJECT TO THE TERMS OF SUCH AGREEMENT.

DEVICES PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned, SURGICON, INC., a Nevada corporation (the "Maker"), hereby promises to pay to the order of Apollo Camera, L.L.C., a Tennessee limited liability company (the "Lender"), under the terms of this promissory note (the "Note"; sometimes referred to herein as the "Devices Note"), the principal amount of *** at such times and in such amounts as are specified *** herein; *** This Note and a separate promissory note simultaneously herewith executed and issued by Maker and delivered to Lender in the amount of *** (the "Camera Products Note") (collectively, the "Apollo Notes") have been issued in connection with that certain Settlement and Release Agreement, dated the date hereof, by and between Maker and Lender (the "Settlement Agreement"). All amounts due hereunder shall be payable in lawful money of the United States of America at the offices of Lender located at 329 West Lincoln Street, Tullahoma, TN 37388.

* * *

3. Event of Default; Default Interest Rate; Acceleration. An event of default ("Event of Default") shall occur if Maker fails to pay: (a) to Lender: a payment under this Devices Note or the Camera Products Note, when any such payment is due and payable, and remains unpaid for more than forty-five (45) days after Lender serves notice of such failure to pay in accordance with Section 12; provided, however that, notwithstanding anything set forth in this Note, if Maker suspends the payments under this Note pending the resolution of any dispute or claim made by it under the Settlement Agreement, such failure to make payments during such time shall not constitute an "Event of Default" hereunder; provided further that the amount of principal payments not made during such suspension shall not exceed one hundred ten percent (110%) of the amount in dispute or subject to such claim and, to the extent that such dispute or claim is resolved in favor of Lender, Maker shall be obligated to pay Lender interest at the rate of eight percent (8%) per annum, from the date that such suspended principal payments were due until the date that such principal payments are made to Lender; or (b) to United States Surgical Corporation ("USSC"): any amount payable by Maker to USSC pursuant to a certain Secured Promissory Note issued by Maker to USSC contemporaneously herewith (the "USSC Note"). If an Event of Default has occurred and is continuing (a) interest shall accrue on the unpaid portion of the Principal amount that is due and payable at the rate of eight percent (8%) per annum and (b) Lender may, at its option, declare all or any part of the unpaid Principal amount of this Devices Note and the Camera Products Note then outstanding, together with any accrued interest thereon, to become immediately due and payable.

4. Grant of Security Interest. Maker hereby grants to Lender a continuing security interest in (a) all of the Patents (as such term is defined in the Settlement Agreement) and Patent Applications (as such term is defined in the Settlement Agreement), (b) all patents that in the future are issued with respect to any currently filed Patent Application including, without limitation, utility models, design patents and certificates of invention, (c) all re-examinations, re-issues, renewals, extensions, divisionals, continuations-in-part, and continuations issued on the Patents and Patent Applications, (d) all foreign counterparts of the Patents and Patent Applications, (e) all ideas (whether or not patentable or protectable by copyright or similar laws), inventions, discoveries, proprietary rights, processes, designs and improvements thereon conceived or developed or reduced to practice in whole or in part by John Shipp or in which John Shipp had aided in its development, (f) all Technical Information (as such term is defined in the Settlement Agreement), (g) all other inventions, discoveries, confidential or proprietary information, technical information, process technology, plans, products, prototypes, drawings, blue prints, contract rights, general intangibles and goodwill relating to the foregoing and (h) all claims and causes of action (and any awards, damages, settlements, expenses or judgments granted in connection therewith) relating to any person's or entity's misappropriation, misuse, infringement or any other similar action relating to any of the foregoing rights and any right to initiate, institute, litigate or prosecute or participate in the initiating, instituting, litigating or prosecuting of any such claim or cause of action (the "Collateral"), to secure all of Maker's obligations with respect to the issuance and payment of the Apollo Notes; provided that the term "Collateral" shall only include rights and assets that were transferred by Lender to Maker under the Settlement Agreement and that were specifically identifiable and in existence on February

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23, 2001 and shall expressly exclude all of the foregoing rights and assets that were filed, conceived, reduced to practice, created, accrued or developed after February 23, 2001. Maker shall execute any further instruments and take such further action as Lender reasonably requests to perfect or continue Lender's security interest in the Collateral.

* * *

7. Choice of Law. This Note is made and shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws.

8. Amendment. No waiver or modification of any of the terms of this Note shall be valid or binding unless set forth in a writing specifically referring to this Note and signed by duly authorized officers of Maker and Lender, respectively, and then only to the extent specifically set forth therein.

9. Assignability. This Note shall be binding upon Maker and its successors and assigns and shall inure to the benefit of Lender and its successors and assigns.

10. Replacement of Note. Upon receipt of evidence reasonably satisfactory to Maker of the loss, theft, destruction or mutilation of this Note and, in the case of any such loss, theft or destruction, upon delivery of an indemnity agreement reasonably satisfactory in form and amount to Maker, or, in the case of any such mutilation, upon surrender and cancellation of this Note, Maker will execute and deliver, in lieu thereof, a new Note of like tenor.

11. Severability. In the event that any provision of this Note is held by a court of competent jurisdiction to be excessive in scope or otherwise invalid or unenforceable, such provision shall be adjusted rather than voided, if possible, so that it is enforceable to the maximum extent possible, and the validity and enforceability of the remaining provisions of this Note will not in any way be affected or impaired thereby.

12. Notices. All Notices, requests, demands and other communications provided for hereunder shall be in writing and delivered to each applicable party in the manner and to the address of such party as set forth in the Settlement Agreement.

* * *

IN WITNESS WHEREOF, Maker has caused this Devices Promissory Note to be duly executed as of the day and year first above written.

SURGICON, INC.

By: *George Trutza*
Name: George Trutza
Title: President

ACKNOWLEDGED AND AGREED:

APOLLO CAMERA, L.L.C.

By _____
Name:
Title:

IN WITNESS WHEREOF, Maker has caused this Devices Promissory Note to be duly executed as of the day and year first above written.

SURGICON, INC.

By: _____
Name: George Trutza
Title: President

ACKNOWLEDGED AND AGREED:

APOLLO CAMERA, L.L.C.

By: B. Q. Cutshaw
Name: B. Q. Cutshaw
Title: Chief Manager

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") AND ARE "RESTRICTED SECURITIES" AS DEFINED IN RULE 144 PROMULGATED UNDER THE ACT. THE SECURITIES MAY NOT BE SOLD OR OFFERED FOR SALE OR OTHERWISE DISTRIBUTED EXCEPT (i) IN CONJUNCTION WITH AN EFFECTIVE REGISTRATION STATEMENT FOR THE SHARES UNDER THE ACT OR (ii) IN COMPLIANCE WITH RULE 144, OR (iii) PURSUANT TO AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY, THAT SUCH REGISTRATION OR COMPLIANCE IS NOT REQUIRED AS TO SAID SALE, OFFER OR DISTRIBUTION.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS (INCLUDING, WITHOUT LIMITATION, INDEMNIFICATION AND SET-OFF PROVISIONS) OF A CERTAIN SETTLEMENT AND RELEASE AGREEMENT BY AND BETWEEN THE COMPANY AND APOLLO CAMERA, L.L.C. (A COPY OF WHICH MAY BE OBTAINED FROM THE COMPANY) AND, UPON ANY PERMITTED TRANSFER OR ASSIGNMENT OF ANY INTEREST IN THE SECURITIES, THE TRANSFEREE OR ASSIGNEE ACCEPTS SUCH INTEREST SUBJECT TO THE TERMS OF SUCH AGREEMENT.

CAMERA PRODUCTS PROMISSORY NOTE

* * *

FOR VALUE RECEIVED, the undersigned, SURGICON, INC., a Nevada corporation (the "Maker"), hereby promises to pay to the order of Apollo Camera, L.L.C., a Tennessee limited liability company (the "Lender"), under the terms of this promissory note (the "Note"; sometimes referred to herein as the "Camera Products Note"), the principal amount of *** at such times and in such amounts as are specified *** herein; *** This Note and a separate promissory note simultaneously herewith executed and issued by Maker and delivered to Lender in the amount of *** (the "Devices Note") (collectively, the "Apollo Notes") have been issued in connection with that certain Settlement and Release Agreement, dated the date hereof, by and between Maker and Lender (the "Settlement Agreement"). All amounts due hereunder shall be payable in lawful money of the United States of America at the offices of Lender located at 329 West Lincoln Street, Tullahoma, TN 37388.

* * *

3. Event of Default; Default Interest Rate; Acceleration. An event of default ("Event of Default") shall occur if Maker fails to pay: (a) to Lender: a payment under this Camera Products Note or the Devices Note, when any such payment is due and payable, and remains unpaid for more than forty-five (45) days after Lender serves notice of such failure to pay in accordance with Section 12; provided, however that, notwithstanding anything set forth in this Note, if Maker suspends the payments under this Note pending the resolution of any dispute or claim made by it under the Settlement Agreement, such failure to make payments during such time shall not constitute an "Event of Default" hereunder; provided further that the amount of principal payments not made during such suspension shall not exceed one hundred ten percent (110%) of the amount in dispute or subject to such claim and, to the extent that such dispute or claim is resolved in favor of Lender, Maker shall be obligated to pay Lender interest at the rate of eight percent (8%) per annum, from the date that such suspended principal payments were due until the date that such principal payments are made to Lender or (b) to United States Surgical Corporation ("USSC"): any amount payable by Maker to USSC pursuant to a certain Secured Promissory Note issued by Maker to USSC contemporaneously herewith (the "USSC Note"). If an Event of Default has occurred and is continuing (a) interest shall accrue on the unpaid portion of the Principal amount that is due and payable at the rate of eight percent (8%) per annum and (b) Lender may, at its option, declare all or any part of the unpaid Principal amount of this Camera Products Note and the Devices Note then outstanding, together with any accrued interest thereon, to become immediately due and payable.

4. Grant of Security Interest. Maker hereby grants to Lender a continuing security interest in (a) all of the Patents (as such term is defined in the Settlement Agreement) and Patent Applications (as such term is defined in the Settlement Agreement), (b) all patents that in the future are issued with respect to any currently filed Patent Application including, without limitation, utility models, design patents and certificates of invention, (c) all re-examinations, re-issues, renewals, extensions, divisionals, continuations-in-part, and continuations issued on the Patents and Patent Applications, (d) all foreign counterparts of the Patents and Patent Applications, (e) all ideas (whether or not patentable or protectable by copyright or similar laws), inventions, discoveries, proprietary rights, processes, designs and improvements thereon conceived or developed or reduced to practice in whole or in part by John Shipp or in which John Shipp had aided in its development, (f) all Technical Information (as such term is defined in the Settlement Agreement), (g) all other inventions, discoveries, confidential or proprietary information, technical information, process technology, plans, products, prototypes, drawings, blue prints, contract rights, general intangibles and goodwill relating to the foregoing and (h) all claims and causes of action (and any awards, damages, settlements, expenses or judgments granted in connection therewith) relating to any person's or entity's misappropriation, misuse, infringement or any other similar action relating to any of the foregoing rights and any right to initiate, institute, litigate or prosecute or participate in the initiating, instituting, litigating or prosecuting of any such claim or cause of action (the "Collateral"), to secure all of Maker's obligations with respect to the issuance and payment of the Apollo Notes; provided that the term "Collateral" shall only include rights and assets that were transferred by Lender to Maker under the Settlement Agreement and that were specifically identifiable and in existence on February

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23, 2001 and shall expressly exclude all of the foregoing rights and assets that were filed, conceived, reduced to practice, created, accrued or developed after February 23, 2001. Maker shall execute any further instruments and take such further action as Lender reasonably requests to perfect or continue Lender's security interest in the Collateral.

* * *

7. Choice of Law. This Note is made and shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws.

8. Amendment. No waiver or modification of any of the terms of this Note shall be valid or binding unless set forth in a writing specifically referring to this Note and signed by duly authorized officers of Maker and Lender, respectively, and then only to the extent specifically set forth therein.

9. Assignability. This Note shall be binding upon Maker and its successors and assigns and shall inure to the benefit of Lender and its successors and assigns.

10. Replacement of Note. Upon receipt of evidence reasonably satisfactory to Maker of the loss, theft, destruction or mutilation of this Note and, in the case of any such loss, theft or destruction, upon delivery of an indemnity agreement reasonably satisfactory in form and amount to Maker, or, in the case of any such mutilation, upon surrender and cancellation of this Note, Maker will execute and deliver, in lieu thereof, a new Note of like tenor.

11. Severability. In the event that any provision of this Note is held by a court of competent jurisdiction to be excessive in scope or otherwise invalid or unenforceable, such provision shall be adjusted rather than voided, if possible, so that it is enforceable to the maximum extent possible, and the validity and enforceability of the remaining provisions of this Note will not in any way be affected or impaired thereby.

12. Notices. All Notices, requests, demands and other communications provided for hereunder shall be in writing and delivered to each applicable party in the manner and to the address of such party as set forth in the Settlement Agreement.

* * *

IN WITNESS WHEREOF, Maker has caused this Camera Products Promissory Note to be duly executed as of the day and year first above written.

SURGICON, INC.

By: 
Name: George Trutza
Title: President

ACKNOWLEDGED AND AGREED:

APOLLO CAMERA, L.L.C.

By: _____
Name:
Title:

IN WITNESS WHEREOF, Maker has caused this Camera Products Promissory Note to be duly executed as of the day and year first above written.

SURGICON, INC.

By: _____
Name: George Trutza
Title: President

ACKNOWLEDGED AND AGREED:

APOLLO CAMERA, L.L.C.

By: *B. Q. Cutshaw*
Name: *B. Q. Cutshaw*
Title: *Chief Manager*