

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

EPAS ID: PAT3266943

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST
CONVEYING PARTY DATA	
Name	Execution Date
FIRST SENSE MEDICAL, LLC	08/24/2012
RECEIVING PARTY DATA	
Name:	WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM
Street Address:	28 WEST ADAMS
Internal Address:	SUITE 1900
City:	DETROIT
State/Country:	MICHIGAN
Postal Code:	48226
PROPERTY NUMBERS Total: 1	
Property Type	Number
Application Number:	14657357
CORRESPONDENCE DATA	
Fax Number:	(248)433-7274
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>	
Phone:	248-433-7200
Email:	tsmith@dickinsonwright.com
Correspondent Name:	DICKINSON WRIGHT PLLC
Address Line 1:	2600 WEST BIG BEAVER ROAD
Address Line 2:	SUITE 300
Address Line 4:	TROY, MICHIGAN 48084
ATTORNEY DOCKET NUMBER:	39673-42
NAME OF SUBMITTER:	BRYAN J. SCHOMER
SIGNATURE:	/BRYAN J. SCHOMER/
DATE SIGNED:	03/16/2015
Total Attachments: 14	
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FIRST AMENDMENT TO SECURITY AGREEMENT

THIS FIRST AMENDMENT TO SECURITY AGREEMENT ("Security Agreement") is made this 24 day of August, 2012, by and between WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM, a body politic of the State of Michigan ("Secured Party"); and ANGOTT MEDICAL PRODUCTS, LLC, a Michigan limited liability company ("Pledgor").

RECITALS:

This First Amendment is based on the following recitals:

A. Secured Party has lent to the Pledgor a sum up to \$1,000,000 ("Loan") upon the terms and conditions set forth in that certain Loan Agreement between Secured Party and Pledgor dated as of July 26, 2010, as amended by a First Amendment to Loan Agreement dated December 19, 2011 and Second Amendment to Loan Agreement dated August ~~25~~, 2012 ("Loan Agreement").

B. The Loan is evidenced by that certain Senior Secured Promissory Note dated July 26, 2010, which is secured by that certain Security Agreement dated July 26, 2010, the Loan Agreement and all other documents related thereto (collectively, "Loan Documents").

C. The Pledgor proposes to change its name to "First Sense Medical, LLC" and to amend the Security Agreement to reflect such change.

D. The parties desire to set forth this amendment in writing as provided below.

NOW, THEREFORE, the parties agree as follows:

1. The recitals set forth above are incorporated into and shall form a part of this First Amendment.

2. The defined terms in the Security Agreement shall have the same meanings in this First Amendment except as otherwise amended hereby.

3. After the date of this Amendment, all references in the Security Agreement to the "Pledgor" shall mean "First Sense Medical, LLC".

4. Pledgor shall execute, deliver to Secured Party and file with appropriate Governmental Authorities all such documents, instruments and filings as are required to continue Secured Party's lien and security interest in the Collateral, including filings of amendments to financing statements as required by the UCC and filings with the United States Patent and Trademark Office, and shall promptly execute and deliver all such further agreements, documents, instruments and filings and take such further action as Secured Party may reasonably deem necessary or appropriate to preserve and perfect its security interests in and pledge and collateral assignment of the Collateral and carry out the provisions and purposes of the Security

Agreement or to enable Secured Party to exercise and enforce its rights and remedies under the Security Agreement with respect to any of the Collateral.

5. Upon execution of this First Amendment, the Pledgor shall pay the costs and expenses of Secured Party in (i) appearing before the Board of Trustees of the Secured Party and (ii) negotiating and executing this First Amendment, including Secured Party's attorney fees.

6. This First Amendment shall be governed by and construed under the laws of the State of Michigan. There are no other agreements or understandings between the parties except as set forth in this First Amendment, the Security Agreement and the Loan Documents. The Security Agreement and the Loan Documents shall not be further amended or modified except in a writing signed by the parties. Except as amended hereby, the Security Agreement and the Loan Documents are restated and republished in their entirety and shall remain in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, this First Amendment has been executed the date and year first above written.

PLEDGOR:

FIRST SENSE MEDICAL, LLC (formerly
ANGOTT MEDICAL PRODUCTS, LLC), a
Michigan limited liability company,

By: *[Signature]*

Its: *President*

SECURED PARTY:

WAYNE COUNTY EMPLOYEES'
RETIREMENT SYSTEM, a body politic of the
State of Michigan

By: *[Signature]*

Its: *Executive Director*

SECURITY AGREEMENT

This Security Agreement (this "Security Agreement") is made as of July 26, 2010, between Angott Medical Products, LLC, a Michigan limited liability company ("Pledgor"), and Wayne County Employees' Retirement System ("Secured Party").

Recitals

A. As a result of the closing of the transactions contemplated in the Senior Secured Loan Agreement dated as the date hereof by and among Pledgor and Secured Party (the "Loan Agreement"), Pledgor is indebted to Secured Party in the amount of _____ (or such lesser amount as shall have been advanced) pursuant to a certain senior secured convertible promissory dated as of the date hereof in the initial principal amount of _____ (the "Note"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Loan Agreement

B. Pledgor has agreed to secure its obligations under the Note and the Loan Agreement by granting to Secured Party a security interest in all of its assets now owned or hereafter acquired.

THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions.

All capitalized terms used but not otherwise defined in this Security Agreement shall have the meanings provided in the Note.

1.1 "Account" means any "account," as such term is defined in Article 9 of the UCC, now owned or hereafter acquired by Pledgor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by Pledgor: (a) all rights of Pledgor to payment for goods sold or leased or services rendered, whether or not earned by performance, (b) all accounts receivable of Pledgor, (c) all rights of Pledgor to receive any payment of money or other form of consideration, (d) all security pledged, assigned or granted to or held by Pledgor to secure any of the foregoing, (e) all guaranties of, or indemnifications with respect to, any of the foregoing, and (f) all rights of Pledgor as an unpaid seller of goods or services, including, but not limited to, all rights of stoppage in transit, replevin, reclamation and resale.

1.2 "Chattel Paper" means any "chattel paper," as such term is defined in Article 9 of the UCC, now owned or hereafter acquired by Pledgor, and shall include electronic chattel paper and tangible chattel paper.

1.3 "Collateral" has the meaning specified in Section 2.1 of this Security Agreement.

1.4 "Commercial Tort Claim" shall mean a claim arising in tort with respect to which: (a) the claimant is an organization; or (b) the claimant is an individual and the claim: (i) arose in

the course of the claimant's business or profession; and (ii) does not include damages arising out of personal injury to or the death of an individual.

1.5 "Computer Records" has the meaning specified in Section 2.1(K) of this Security Agreement.

1.6 "Deposit Account" shall mean a demand, time, savings, passbook, or similar account maintained with a bank. The term does not include investment property or accounts evidenced by an instrument.

1.7 "Document" means any "document," as such term is defined in Article 9 of the UCC, now owned or hereafter acquired by Pledgor, including, without limitation, all documents of title and all receipts covering, evidencing or representing goods now owned or hereafter acquired by Pledgor.

1.8 "Equipment" means any "equipment," as such term is defined in Article 9 of the UCC, now owned or hereafter acquired by Pledgor and, in any event, shall include, without limitation, all machinery, equipment, furniture, trade fixtures, tractors, trailers, rolling stock, vessels, aircraft and vehicles now owned or hereafter acquired by Pledgor and any and all additions, substitutions and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

1.9 "Event of Default" means any breach by Pledgor hereunder or under the Loan Agreement or an "Event of Default" as specified in the Note.

1.10 "General Intangibles" means any "general intangibles," as such term is defined in Article 9 of the UCC, now owned or hereafter acquired by Pledgor and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by Pledgor: (a) all of Pledgor's patents, patent applications, copyrights, trademarks, service marks, trade names, trade secrets, registrations, goodwill, franchises, licenses, permits, proprietary information, customer lists, designs, inventions and all other intellectual property and proprietary rights (collectively, the "Intellectual Property Collateral"); (b) all of Pledgor's books, records, data, plans, manuals, computer software, computer tapes, computer disks, computer programs, source codes, object codes and all rights of Pledgor to retrieve data and other information from third parties; (c) all of Pledgor's contract rights, commercial tort claims, partnership interests, membership interests, joint venture interests, securities, deposit accounts, investment accounts and certificates of deposit; (d) all rights of Pledgor to payment under chattel paper, documents, instruments and similar agreements; (e) letters of credit, letters of credit rights supporting obligations and rights to payment for money or funds advanced or sold of Pledgor; (f) all tax refunds and tax refund claims of Pledgor; (g) all choses in action and causes of action of Pledgor (whether arising in contract, tort or otherwise and whether or not currently in litigation) and all judgments in favor of Pledgor; (h) all rights and claims of Pledgor under warranties and indemnities; and (i) all rights of Pledgor under any insurance, surety or similar contract or arrangement.

1.11 "Governmental Authority" shall mean any nation or government, any state, province or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

1.12 "Instrument" means any "instrument," as such term is defined in Article 9 of the UCC, now owned or hereafter acquired by Pledgor, and, in any event, shall include all promissory notes, drafts, bills of exchange and trade acceptances, whether now owned or hereafter acquired.

1.13 "Intellectual Property Collateral" is defined in clause (a) of the definition of General Intangibles.

1.14 "Inventory" means any "inventory," as such term is defined in Article 9 of the UCC, now owned or hereafter acquired by Pledgor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by Pledgor: (a) all goods and other personal property of Pledgor that are held for sale or lease or to be furnished under any contract of service; (b) all raw materials, work-in-process, finished goods, supplies and materials of Pledgor; (c) all wrapping, packaging, advertising and shipping materials of Pledgor; (d) all goods that have been returned to, repossessed by or stopped in transit by Pledgor; and (e) all Documents evidencing any of the foregoing.

1.15 "Investment Property" means any "investment property" as such term is defined in Article 9 of the UCC, now owned or hereafter acquired by Pledgor, and in any event, shall include without limitation all shares of stock and other equity, partnership or membership interests constituting securities, of the Subsidiaries of Pledgor from time to time owned or acquired by Pledgor in any manner, and the certificates and all dividends, cash, instruments, rights and other property from time to time received, receivable or otherwise distributed or distributable in respect of or in exchange for any or all of such shares.

1.16 "Letter of Credit Right" shall mean a right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance. The term does not include the right of a beneficiary to demand payment or performance under a letter of credit.

1.17 "Obligations" means any and all of the indebtedness and obligations of Pledgor to Secured Party under the Note and/or the Loan Agreement, whether now existing or hereafter arising, as such Obligations may be modified, extended or renewed from time to time and any and all expenses (including reasonable fees and disbursements of legal counsel), fees and all other amounts incurred or paid by or on behalf of Secured Party in enforcing any rights thereunder or hereunder.

1.18 "Proceeds" means any "proceeds," as such term is defined in Article 9 of the UCC and, in any event, shall include, but not be limited to, (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to Pledgor from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and

payable to Pledgor 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, or purporting to act, for or on behalf of any Governmental Authority), and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

1.19 "Records" is defined in Section 5.6 of this Security Agreement.

1.20 "Software" means all (i) computer programs and supporting information provided in connection with a transaction relating to the program, and (ii) computer programs embedded in goods and any supporting information provided in connection with a transaction relating to the program whether or not the program is associated with the goods in such a manner that it customarily is considered part of the goods, and whether or not, by becoming the owner of the goods, a person acquires a right to use the program in connection with the goods, and whether or not the program is embedded in goods that consist solely of the medium in which the program is embedded.

1.21 "Subsidiary" means any subsidiary existing now or hereafter created or acquired.

1.22 "Transaction Documents" has the meaning specified in the Loan Agreement.

1.23 "UCC" means the Uniform Commercial Code as in effect in the State of Michigan; provided, however, that if, by applicable law, the perfection or effect of perfection or non-perfection of the security interest created hereunder in any Collateral is governed by the Uniform Commercial Code as in effect on or after the date hereof in any other jurisdiction, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or the effect of perfection or non-perfection.

2. Security Interest.

2.1 Security Interest. As collateral security for the prompt payment and performance in full when due of the Obligations, Pledgor hereby pledges and assigns (as collateral) to Secured Party, and grants Secured Party, for the benefit of Secured Party, a lien on and security interest in all of Pledgor's assets and rights, including, but not limited to, all of Pledgor's right, title and interest in and to the following, whether now owned or hereafter arising or acquired and wherever located (collectively, the "Collateral");

- (A) all Accounts;
- (B) all Chattel Paper;
- (C) all General Intangibles;
- (D) all Equipment;
- (E) all Inventory;
- (F) all Documents;

- (G) all Instruments;
- (H) all Letter of Credit Rights;
- (I) all Commercial Tort Claims;
- (J) all Deposit Accounts;

(K) all computer records ("Computer Records") and Software, whether relating to the foregoing Collateral or otherwise, but in the case of such Software, subject to the rights of any non-affiliated licensee of software and any cash collateral, deposit account or investment account established or maintained hereunder;

- (L) all Investment Property; and

(M) the Proceeds, in cash or otherwise, of any of the property described in the foregoing clauses (A) through (L) and all liens, security, rights, remedies and claims of Pledgor with respect thereto.

2.2 Pledgor Remains Liable. Notwithstanding anything to the contrary contained herein, (a) Pledgor shall remain liable under the contracts, agreements, documents and instruments included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Security Agreement had not been executed, (b) the exercise by Secured Party of any of its respective rights or remedies hereunder shall not release Pledgor from any of their duties or obligations under the contracts, agreements, documents and instruments included in the Collateral, and (c) Secured Party shall not have any indebtedness, liability or obligation (by assumption or otherwise) under any of the contracts, agreements, documents and instruments included in the Collateral by reason of this Security Agreement, and shall not be obligated to perform any of the obligations or duties of Pledgor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

3. Representations and Warranties.

Pledgor represents and warrants to Secured Party, which representations and warranties shall be continuing representations and warranties until all of the Obligations are satisfied in full, as follows:

3.1 Rights in Collateral. Except as may be provided in the R&D Contract: (i) Pledgor is the lawful owner of the Collateral and has the right and authority to subject it to a security interest granted to Secured Party; (ii) the Collateral is not subject to liens, claims or encumbrances, licenses or similar interests; (iii) no person has possession or control (as defined in the UCC) of any of the Collateral of such nature that perfection of a security interest may be accomplished by control; and (iv) Pledgor acquired its rights in the Collateral in the ordinary course of business.

4. Covenants.

Pledgor covenants and agrees with Secured Party that until the Obligations are paid and performed in full:

4.1 Encumbrances. Except as may be provided in the R&D Contract, Pledgor shall not create, permit or suffer to exist, and shall defend the Collateral against, any lien (other than the liens created by this Security Agreement) or any restriction upon the pledge or other transfer thereof, and shall defend Pledgor's title to and other rights in the Collateral and Pledgor's pledge and collateral assignment of and security interest in the Collateral against the claims and demands of any person or entity. Pledgor shall do nothing to impair the rights of Secured Party in the Collateral.

4.2 Further Assurances. At any time and from time to time, upon the request of Secured Party, and at the sole expense of Pledgor, Pledgor shall promptly execute and deliver all such further agreements, documents and instruments and take such further action as Secured Party may reasonably deem necessary or appropriate to preserve and perfect its security interest in and pledge and collateral assignment of the Collateral and carry out the provisions and purposes of this Security Agreement or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to any of the Collateral. Pledgor agrees to maintain and preserve Secured Party's security interest in and pledge and collateral assignment of the Collateral hereunder. Without limiting the generality of the foregoing, Pledgor shall (a) execute and deliver to Secured Party such financing statements as Secured Party may from time to time require; and (b) execute and deliver to Secured Party such other agreements, documents and instruments, including without limitation control agreements or stock powers, as Secured Party may require to perfect and maintain the validity, effectiveness and priority of the liens intended to be created by this Security Agreement. Pledgor authorizes Secured Party to file one or more financing statements, and amendments thereto, relating to all or any part of the Collateral without the signature of Pledgor unless otherwise prohibited by law.

4.3 Possession. Following the occurrence of an Event of Default, Secured Party shall be entitled to take possession of the Collateral in accordance with the UCC.

5. Rights of Secured Party.

5.1 Power of Attorney. Pledgor hereby irrevocably constitutes and appoints Secured Party with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the name of Pledgor or in its own name, to take, after the occurrence of an Event of Default, any and all actions, and to execute any and all documents and instruments which Secured Party at any time deems appropriate or necessary, to accomplish the purposes of this Security Agreement including to do, at Secured Party's option and Pledgor's expense, at any time, all acts and things which Secured Party deems necessary to protect and preserve the Collateral and the security interest therein. This power of attorney is a power coupled with an interest and shall be irrevocable. Secured Party shall be under no duty to exercise or withhold the exercise of any of the rights, powers, privileges and options expressly or implicitly granted to Secured Party in this Security Agreement, and shall not be liable for any failure to do so or any delay in doing so. This power of attorney is conferred on Secured Party solely to protect,

preserve, maintain and realize upon its security interest in the Collateral. Secured Party shall not be responsible for any decline in the value of the Collateral and shall not be required to take any steps to preserve rights against prior parties or to protect, preserve or maintain any lien given to secure the Collateral.

5.2 Setoff. Secured Party shall, upon the occurrence of an Event of Default which is not cured within 30 days after written notice from Secured Party, have the right to appropriate and apply to the payment of the Obligations owing to it (whether or not then due) any and all balances, credits, deposits, accounts or monies of Pledgor then or thereafter on deposit with any banks.

5.3 Assignment by Secured Party. Secured Party may at any time assign or otherwise transfer all or any portion of its rights and obligations as Secured Party under this Security Agreement and the other Transaction Agreements (including, without limitation, the Obligations) to any other Person upon written notice to Pledgor, and such Person shall thereupon become vested with all the benefits and obligations thereof granted to Secured Party herein or otherwise.

5.4 Performance by Secured Party. If Pledgor shall fail to perform any covenant or agreement contained in this Security Agreement, Secured Party may (but shall not be obligated to) perform or attempt to perform such covenant or agreement on behalf of Pledgor, in which case Secured Party shall exercise good faith and make diligent efforts to give Pledgor prompt prior written notice of such performance or attempted performance. In such event, Pledgor shall, at the request of Secured Party, promptly pay any reasonable amount expended by Secured Party in connection with such performance or attempted performance to Secured Party, together with interest thereon at the penalty interest rate specified in the Note, from and including the date of such expenditure but excluding the date such expenditure is paid in full. Notwithstanding the foregoing, it is expressly agreed that Secured Party shall not have any liability or responsibility for the performance (or non-performance) of any obligation of Pledgor under this Security Agreement.

5.5 Certain Costs and Expenses. Pledgor shall pay or reimburse Secured Party within 20 Business Days after demand for all reasonable costs and expenses (including reasonable attorneys' and paralegals' fees) incurred by it in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Security Agreement or any other Transaction Agreements during the existence of an Event of Default or after acceleration of any of the Obligations (including in connection with any "workout" or restructuring regarding the Obligations, and including in any insolvency proceeding or appellate proceeding). The agreements in this Section 5.5 shall survive the payment in full of the Obligations.

5.6 Books and Records. During usual business hours, Secured Party shall have access to inspect all assets, properties, books and records of Pledgor.

6. Default.

6.1 Rights and Remedies. If an Event of Default shall have occurred, Secured Party shall have the following rights and remedies:

(A) Secured Party may exercise any of the rights and remedies set forth in the Loan Agreement and the Note (including, without limitation, in Section 5 of this Security Agreement) or by applicable law.

(B) In addition to all other rights and remedies granted to Secured Party in this Security Agreement or by applicable law, Secured Party shall have all of the rights and remedies of a secured party under the UCC (whether or not the UCC applies to the affected Collateral) and Secured Party may also, without previous demand or notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of Secured Party's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as Secured Party may, in its reasonable discretion, deem commercially reasonable or otherwise as may be permitted by law.

(C) Secured Party may cause any or all of the Collateral held by it to be transferred into the name of Secured Party or the name or names of Secured Party's nominee or nominees.

(D) Secured Party may exercise any and all rights and remedies of Pledgor under or in respect of the Collateral, including, without limitation, any and all rights of Pledgor to demand or otherwise require payment of any amount under, or performance of any provision of any of the Collateral and any and all voting rights and limited liability company powers in respect of the Collateral.

(E) On any sale of the Collateral, Secured Party is hereby authorized to comply with any limitation or restriction with which compliance is necessary (based on a reasoned opinion of Secured Party's counsel) in order to avoid any violation of applicable law or in order to obtain any required approval of the purchaser or purchasers by any applicable Governmental Authority.

(F) Secured Party may direct account debtors and any other parties liable for any payment under any of the Collateral to make payment of any and all monies due and to become due thereunder directly to Secured Party or as Secured Party shall direct; provided, that all such amounts paid shall be first applied against Secured Party's costs of enforcing this Agreement and then credited to Pledgor as payments made on the Obligations.

6.2 Default Under Note. The occurrence of any Event of Default (as defined in the Note), including without limit a breach of any of the provisions of this Security Agreement, shall be deemed to be an Event of Default under this Security Agreement; provided that a default under this Agreement which is not the result of the failure to pay when due any amount owing to Secured Party hereunder shall not constitute an Event of Default for purposes of this Agreement unless either of the following is true: (a) such event remains uncured for a period of 30 days after Secured Party provides Pledgor with written notice of such default, or (b) such event may result in material prejudice to the exercise by Secured Party of its rights hereunder. This Section 6.2 shall not limit the Events of Default set forth in the Note.

7. Miscellaneous.

7.1 Acts Not Affecting Obligations. None of the following shall affect the liabilities of Pledgor under this Security Agreement, or the Obligations, or the rights of Secured Party with respect to the Collateral: (a) acceptance or retention by Secured Party of other security for the Obligations, or for the liability of any person with respect to the Obligations; (b) the release of all or any of the Collateral or other security for any of the Obligations; (c) any release, extension, renewal, modification or compromise of any of the Obligations or the liability of any obligor thereon; (d) failure by Secured Party to resort to other security or any person liable for any of the Obligations before resorting to the Collateral; (e) any increase in the amount of the Obligations secured hereunder for any reason whatsoever; and (f) any exercise, or failure to exercise, any remedy described in Section 6, or taking or failing to take any action with respect thereto. Under no circumstances will Secured Party have the duty to marshal assets of Pledgor.

7.2 Further Assurances. Pledgor agrees that it will cooperate with Secured Party and will execute and deliver, or cause to be executed and delivered, all such other instruments and documents and will take all such other action, as Secured Party may reasonably request from time to time in order to carry out the provisions and purposes hereof.

7.3 Interpretation. The headings contained in this Security Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Security Agreement. All references to "Sections" in this Security Agreement are, unless specifically indicated otherwise, references to sections of this Security Agreement. Whenever the singular is used, the same shall include the plural and vice versa, where appropriate. Words of any gender shall include each other gender where appropriate.

7.4 Attorneys' Fees. If any party commences an action against any other party to enforce any of the terms, covenants, conditions or provisions of this Agreement or because of a default by a party under this Agreement, the prevailing party in any such action shall be entitled to recover reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action from the losing party.

7.5 No Waiver: Cumulative Remedies. This Security Agreement may be amended, modified, superseded, cancelled, renewed or extended, and the terms and conditions of this Security Agreement may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No failure to exercise or delay in exercising any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights and remedies under this Security Agreement are cumulative and are not exclusive of any rights or remedies which any party may otherwise have at law or in equity.

7.6 Successors and Assigns. This Security Agreement shall be binding upon and inure to the benefit of the parties to this Security Agreement and their respective permitted successors and assigns; provided that Pledgor may not assign or transfer any of its rights or

delegate any of its obligations under this Security Agreement without the prior written consent of Secured Party.

7.7 Governing Law. This Security Agreement shall be governed by the laws of the State of Michigan (regardless of the laws that might otherwise govern under applicable Michigan principles of conflicts of law) as to all matters, including, but not limited to, matters of validity, construction, effect, performance and remedies. Each of the parties consents to be subject to personal jurisdiction of the federal and state courts located in Wayne County, Michigan, which shall be the sole and exclusive forums for the resolution of all disputes under, or relating to, this Security Agreement.

7.8 Severability. If any provision of this Security Agreement is determined to be illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall have no effect on the other provisions of this Security Agreement, which shall remain valid, operative and enforceable. Upon any such determination that any term or other provision is illegal, invalid or unenforceable, the parties hereto will negotiate in good faith to modify this Security Agreement so as to affect the original intent of the parties as closely as possible.

7.9 Notices. All notices, requests and other communications that are required or may be given under this Security Agreement shall be (a) made in the manner and to the addresses set forth in the Loan Agreement and (b) deemed given as and when provided in the Loan Agreement.

7.10 Counterparts. This Security Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which taken together shall constitute one and the same instrument.

7.11 Construction. Each party hereto has participated in the negotiation and drafting of this Security Agreement. In the event an ambiguity or question of intent or interpretation arises under any provision of this Security Agreement, this Security Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of authoring any of the provisions of this Security Agreement.

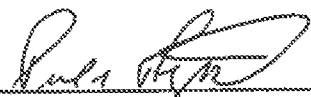
7.12 Continuing Lien. The security interest granted under this Security Agreement shall be a continuing security interest in every respect (whether or not the outstanding balance of indebtedness comprising part of the Obligations are from time to time temporarily reduced to zero) and Secured Party's security interest in the Collateral as granted herein shall continue in full force and effect for the entire duration that the Note remains in effect and until all of the Obligations are irrevocably repaid, performed and discharged in full, and no commitment (whether optional or obligatory) to extend any credit under the Note remains outstanding.

[signatures appear on following page]

The parties have executed this Security Agreement as of the date set forth in the introductory paragraph of this Security Agreement.

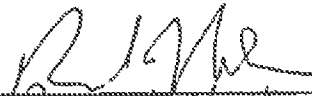
PLEDGOR

ANGOTT MEDICAL PRODUCTS, LLC,
a Michigan limited liability company

By: 
Name: Paul Angott
Title: Mon. Dir.

SECURED PARTY

WAYNE COUNTY EMPLOYEES'
RETIREMENT SYSTEM

By: 
Name: Richard Noelle
Title: Acting Director of Retirement

[SECURITY AGREEMENT]

DETROIT 4225154.1