

02-22-1999



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RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

New

Resubmission (Non-Recordation)
Document ID # _____

Correction of PTO Error
Reel # _____ Frame # _____

Corrective Document
Reel # _____ Frame # _____

Conveyance Type

Assignment License

Security Agreement Nunc Pro Tunc Assignment

Merger
Effective Date
Month Day Year

Change of Name

Other _____

Conveying Party

Mark if additional names of conveying parties attached

Name OMNICELL TECHNOLOGIES INC. Execution Date
Month Day Year
01 29 99

Formerly _____

Individual General Partnership Limited Partnership Corporation Association

Other _____

Citizenship/State of Incorporation/Organization CALIFORNIA

Receiving Party

Mark if additional names of receiving parties attached

Name BAXTER HEALTHCARE CORPORATION

DBA/AKA/TA _____

Composed of _____

Address (line 1) ONE BAXTER PARKWAY

Address (line 2) _____

Address (line 3) DEERFIELD ILLINOIS 60015
City State/Country Zip Code

Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Corporation Association

Other _____

Citizenship/State of Incorporation/Organization DELAWARE

02/18/1999 BC0ATES 00000048 1747748
Q1 FC:481 40.00 DP

FOR OFFICE USE ONLY

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK
REEL: 1858 FRAME: 0339

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text" value="1747748"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

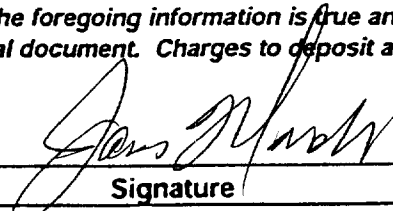
Yes No

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. Charges to deposit account are authorized, as indicated herein.

JAMES F. DONATO

Name of Person Signing



Signature

2/15/99

Date Signed

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT ("Agreement") is made as of January 29, 1999, by and between Omnicell Technologies Inc., a California corporation ("Grantor"), and Baxter Healthcare Corporation, a Delaware corporation ("Baxter").

WITNESSETH:

WHEREAS, Grantor and Baxter are parties to that certain Loan and Security Agreement of even date herewith (as the same may hereafter be modified, amended, restated or supplemented from time to time, the "Credit Agreement"), pursuant to which Baxter may extend credit to Grantor and pursuant to which Grantor has granted a security interest in certain of its assets to Baxter for Baxter's benefit; and

WHEREAS, Baxter has required Grantor to execute and deliver this Agreement (i) in order to secure the prompt and complete payment, observance and performance of all of the "Obligations" (as defined in the Credit Agreement) and (ii) as a condition precedent to any extension of credit under the Credit Agreement;

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

1. Defined Terms.

(a) Unless otherwise defined herein, each capitalized term used herein that is defined in the Credit Agreement shall have the meaning specified for such term in the Credit Agreement.

(b) The words "hereof," "herein" and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section references are to this Agreement unless otherwise specified.

(c) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. Incorporation of Premises. The premises set forth above are incorporated into this Agreement by this reference thereto and are made a part hereof.

3. Incorporation of the Credit Agreement. The Credit Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto.

4. Security Interest in Trademarks. To secure the complete and timely payment, performance and satisfaction of all of the Obligations, Grantor hereby grants to Baxter, a security interest in, with power of sale to the extent permitted by applicable law and the provisions of this Agreement, all of Grantor's SureMed Intellectual Property Rights now owned or existing and hereafter acquired or arising consisting of:

(i) trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including, without limitation, the trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications listed on Schedule A attached hereto and made a part hereof, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (c) the right to sue for past, present and future infringements and dilutions thereof, (d) the goodwill of Grantor's business symbolized by the foregoing and connected therewith, and (e) all of Grantor's rights corresponding thereto throughout the world (all of the foregoing trademarks, registered trademarks and trademark applications, and service marks, registered service marks and service mark applications, together with the items described in clauses (a)-(e) in this paragraph 4(i), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); and

(ii) rights under or interest in any trademark license agreements or service mark license agreements with any other party, whether Grantor is a licensee or licensor under any such license agreement, including, without limitation, those trademark license agreements and service mark license agreements listed on Schedule B attached hereto and made a part hereof, together with any goodwill connected with and symbolized by any such trademark license agreements or service mark license agreements, and the right to prepare for sale and sell any and all Inventory now or hereafter owned by Grantor and now or hereafter covered by such licenses (all of the foregoing are hereinafter referred to collectively as the "Licenses"). Notwithstanding the foregoing provisions of this Section 4, the Licenses shall not include any license agreement which by its terms prohibits the grant of the security contemplated by this Agreement; provided, however, that upon the termination of such prohibitions for any reason whatsoever, the provisions of this Section 4 shall be deemed to apply thereto automatically.

5. Restrictions on Future Agreements. Grantor will not, without Baxter's prior written consent, enter into any agreement, other than a license agreement in which Grantor is the licensee, which is inconsistent with this Agreement, and Grantor further agrees that it will not take any action, and will use reasonable efforts not to permit any action to be taken by others, including, without limitation, licensees, or fail to take any action, which would in any material respect affect the validity or enforcement of the rights granted to Baxter under this Agreement or the rights associated with the Trademarks or Licenses.

6. New Trademarks and Licenses. Subject to Baxter's representations and warranties set forth in Section 3.8(b) of the Asset Purchase Agreement, Grantor represents and warrants that (a) the Trademarks listed on Schedule A include all of the SureMed Intellectual Property Rights consisting of trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, (b) the Licenses listed on Schedule B include all of the SureMed Intellectual Property Rights consisting of trademark license agreements and service mark license agreements under which Grantor is the licensee or licensor and (c) no liens, claims or security interests in such Trademarks and Licenses have been granted by Grantor to any Person other than Baxter, except as permitted under the Credit Agreement, including, without limitation, Permitted Liens, Permitted Senior Liens, and licenses and sublicenses in the ordinary course of business. If, prior to the termination of this Agreement, Grantor shall (i) obtain rights to any new trademarks, registered trademarks, trademark applications, service marks, registered service marks or service mark applications, (ii) become entitled to the benefit of any trademarks, registered trademarks, trademark applications, trademark licenses, trademark license renewals, service marks, registered service marks, service mark applications, service mark licenses or service mark license renewals whether as licensee or licensor, or (iii) enter into any new trademark license agreement or service mark license agreement, to the extent such items listed in clauses (i), (ii) and (iii) involve or constitute SureMed Intellectual Property Rights, the provisions of paragraph 4 above shall automatically apply thereto. Grantor shall use reasonable efforts to give to Baxter written notice of events described in clauses (i), (ii) and (iii) of the preceding sentence promptly after the occurrence thereof, but in any event not less frequently than on a quarterly basis. Upon prior written notice thereof, Grantor hereby authorizes Baxter to modify this Agreement unilaterally (i) by amending Schedule A to include any future SureMed Intellectual Property Rights consisting of trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications and by amending Schedule B to include any future SureMed Intellectual Property Rights consisting of trademark license agreements and service mark license agreements, which are Trademarks or Licenses under paragraph 4 above or under this paragraph 6, and (ii) by filing, in addition to and not in substitution for this Agreement, a duplicate original of this Agreement containing on Schedule A or B thereto, as the case may be, such future trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, and trademark license agreements and service mark license agreements.

7. Royalties. Grantor hereby agrees that the use by Baxter of the Trademarks and Licenses as authorized hereunder in connection with Baxter's exercise of its rights and remedies under paragraph 15 or pursuant to the Credit Agreement shall be coextensive with Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Baxter to Grantor.

8. Further Assignments and Security Interests. From and after the occurrence of, and during the continuation of, an Event of Default, Grantor agrees that Baxter, or a conservator appointed by Baxter, shall have the right to establish such reasonable additional product quality controls as Baxter or such conservator, in its sole and absolute judgment, may deem necessary to assure maintenance of the quality of products sold by Grantor under the Trademarks and the Licenses or in connection with which such Trademarks and Licenses are used.

Grantor agrees (i) not to sell or assign its respective interests in, or grant any license under, unless such license is granted in the ordinary course of business, the Trademarks or the Licenses without the prior and express written consent of Baxter, (ii) to maintain the quality of such products as of the date hereof, and (iii) not to change the quality of such products in any material respect without Baxter's prior and express written consent.

9. Nature and Continuation of Baxter's Security Interest; Termination of the Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Trademarks and Licenses and shall terminate only when the Obligations have been satisfied in full and the Credit Agreement has been terminated. When this Agreement has terminated, Baxter shall promptly execute and deliver to Grantor, at Grantor's expense, all termination statements and other instruments as may be necessary or proper to terminate Baxter's security interest in the Trademarks and the Licenses, subject to any disposition thereof which may have been made by Baxter pursuant to this Agreement or the Credit Agreement.

10. Duties of Grantor. Grantor shall have the duty, to the extent desirable in the normal conduct of Grantor's business, to: (i) prosecute diligently any trademark application or service mark application that is part of the Trademarks pending as of the date hereof or hereafter until the termination of this Agreement, and (ii) make application for trademarks or service marks as Grantor deems appropriate. Grantor further agrees (i) not to abandon any Trademark or License without the prior written consent of Baxter, unless such Trademark or License is not necessary or economically desirable in the operation of Grantor's business, and (ii) to use its reasonable efforts to maintain in full force and effect the Trademarks and the Licenses that are or shall be necessary or economically desirable in the operation of Grantor's business. Any expenses incurred in connection with the foregoing shall be borne by Grantor. Baxter shall not have any duty with respect to the Trademarks and Licenses. Without limiting the generality of the foregoing, Baxter shall not be under any obligation to take any steps necessary to preserve rights in the Trademarks or Licenses against any other parties, but Baxter may do so at its option from and after the occurrence and during the continuation of an Event of Default, and all expenses incurred in connection therewith shall be for the sole account of Grantor and shall be added to the Obligations secured hereby.

11. Baxter's Right to Sue. From and after the occurrence and during the continuance of an Event of Default, Baxter shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Trademarks and the Licenses and, if Baxter shall commence any such suit, Grantor shall, at the request of Baxter, do any and all lawful acts and execute any and all proper documents reasonably required by Baxter in aid of such enforcement. Grantor shall, upon demand, promptly reimburse Baxter for all reasonable costs and expenses incurred by Baxter in the exercise of its rights under this paragraph 11 (including, without limitation, reasonable fees and expenses of attorneys and paralegals for Baxter).

12. Waivers. Baxter's failure, at any time or times hereafter, to require strict performance by Grantor of any provision of this Agreement shall not waive, affect or diminish any right of Baxter thereafter to demand strict compliance and performance therewith nor shall any course of dealing between Grantor and Baxter have such effect. No single or partial exercise of

any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. None of the undertakings, agreements, warranties, covenants and representations of Grantor contained in this Agreement shall be deemed to have been suspended or waived by Baxter unless such suspension or waiver is in writing signed by an officer of Baxter and directed to Grantor specifying such suspension or waiver.

13. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but the provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part hereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

14. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in paragraph 6 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney. Effective only upon the occurrence and during the continuance of an Event of Default, Grantor hereby irrevocably designates, constitutes and appoints Baxter (and all Persons designated by Baxter in its sole and absolute discretion) as Grantor's true and lawful attorney-in-fact, and authorizes Baxter and any of Baxter's designees, in Grantor's or Baxter's name, from and after the occurrence of, and during the continuation of, an Event of Default and the giving by Baxter of notice to Grantor of Baxter's intention to enforce its rights and claims against Grantor, to (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for Baxter in the use of the Trademarks or the Licenses, (ii) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks or the Licenses to anyone on commercially reasonable terms, (iii) grant or issue any exclusive or nonexclusive license under the Trademarks or, to the extent permitted, under the Licenses, to anyone on commercially reasonable terms, and (iv) take any other actions with respect to the Trademarks or the Licenses as Baxter deems reasonably necessary. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until all of the Obligations shall have been paid in full in cash and the Credit Agreement shall have been terminated. Grantor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Baxter under the Credit Agreement, but rather is intended to facilitate the exercise of such rights and remedies.

Baxter shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks or the Licenses may be located or deemed located. Upon the occurrence and during the continuance of an Event of Default and the election by Baxter to exercise any of its remedies under Section 9-504 or Section 9-505 of the Uniform Commercial Code with respect to the Trademarks and Licenses, Grantor agrees to assign, convey and otherwise transfer title in and to the

Trademarks and the Licenses to Baxter or any transferee of Baxter and to execute and deliver to Baxter or any such transferee all such agreements, documents and instruments as may be necessary, in Baxter's reasonable discretion, to effect such assignment, conveyance and transfer. All of Baxter's rights and remedies with respect to the Trademarks and the Licenses, whether established hereby, by the Credit Agreement, by any other agreements or by law, shall be cumulative and may be exercised separately or concurrently. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence and during the continuance of an Event of Default, Baxter may exercise any of the rights and remedies provided in this Agreement, the Credit Agreement and any of the other Loan Documents. Grantor agrees that any notification of intended disposition of any of the Trademarks and Licenses required by law shall be deemed reasonable and properly given if received at least ten (10) days before such disposition; provided, however, that Baxter may give any shorter notice that is commercially reasonable under the circumstances.

16. Successors and Assigns. This Agreement shall be binding upon Grantor and its successors and assigns, and shall inure to the benefit of Baxter and its nominees, successors and assigns. Grantor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Grantor; provided, however, that Grantor shall not voluntarily assign or transfer its rights or obligations hereunder without Baxter's prior written consent. Baxter may freely and without restriction assign its rights, duties, and obligations under this Agreement; provided, however, that Baxter shall not assign such rights, duties and obligations to any Person engaged in the same line of business as Grantor's business.

17. Governing Law. This Agreement shall be construed and enforced and the rights and duties of the parties shall be governed by in all respects in accordance with the internal laws (as opposed to conflict of laws provisions) and decisions of the State of Illinois, except to the extent that the laws of another jurisdiction apply to the perfection and enforcement of the security interest granted herein.

18. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Credit Agreement.

19. Section Titles. The section titles herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

20. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

21. Merger. This Agreement represents the final agreement of the Grantor with respect to the matters contained herein and may not be contradicted by evidence of prior or contemporaneous agreements, or subsequent oral agreements, between the Grantor and Baxter.

[Remainder of This Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

OMNICELL TECHNOLOGIES, INC.

By: Earl E. Fry
Name: EARL E. FRY
Title: VP & CFO

Accepted and agreed to as of the day and year first above written.

BAXTER HEALTHCARE CORPORATION

By: _____
Name:
Title:

Trademark Security Agreement Signature Page

TRADEMARK
REEL: 1858 FRAME: 0347

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

OMNICELL TECHNOLOGIES INC.

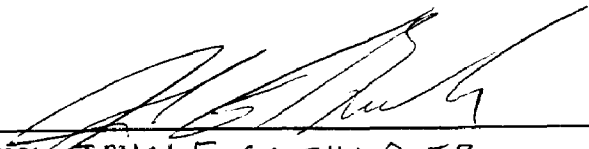
By: _____

Name:

Title:

Accepted and agreed to as of the day and year first above written.

BAXTER HEALTHCARE CORPORATION

By:  _____

Name: JOHN F. GAITHER, JR.

F. GAITH

Title: VICE PRESIDENT

Trademark Security Agreement Signature Page

Schedule A
to
Trademark Security Agreement

Dated as of January 29, 1999

Trademarks

Registration Number	Name	Filing Date
1747748	Sure-Med	January 19, 1993

Trademark and Service Mark Applications

None.

Schedule B
to
Trademark Security Agreement

Dated as of January 29, 1999

License Agreements

None.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The foregoing Trademark Security Agreement was acknowledged before me this 29th day of January, 1999, by John Gaither a Vice President of Baxter Healthcare Corporation, a Delaware corporation, on behalf of such corporation.

Sharon A. McCallister
Notary Information



::ODMA\PCDOCS\CHICAGO4\7770553

TRADEMARK
REEL: 1858 FRAME: 0351

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

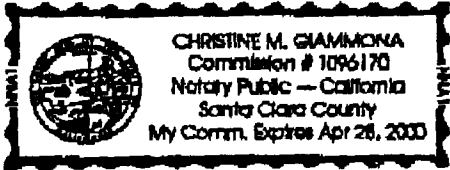
STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

On January 26, 1999 before me, Christine M. Giammona, Notary Public
(Name and Title of Officer)

personally appeared Earl Fry

personally known to me -or- [X] proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/hers/their authorized capacity, and that by his/hers/their signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.



WITNESS my hand and official seal.

Christine M. Giammona
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Trademark Security Agreement

Document Date: Number of Pages:

Signer(s) Other Than Named Above:

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name: Earl Fry

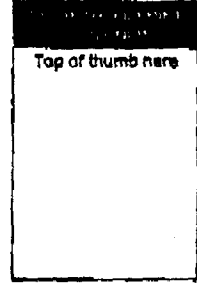
- [X] Individual
[] Corporate Officer
[] Partner - [] Limited [] General
[] Attorney-in-Fact
[] Trustee
[] Guardian or Conservator
[] Other:



Signer is representing: Name of Person(s) or Entity(ies)

Signer's Name:

- [] Individual
[] Corporate Officer
[] Partner - [] Limited [] General
[] Attorney-in-Fact
[] Trustee
[] Guardian or Conservator
[] Other:



Signer is representing: Name of Person(s) or Entity(ies)

Received Jan 29 01:54PM (07:12) on SAFA line [8] for 'MKIRSONS' WORKSRV5 printed 0PE36818F50074 on Jan 29 02:40PM 1999 * Pg 5/27

TRADEMARK REEL: 1858 FRAME: 0352

PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT ("Agreement") is made as of January 29, 1999, by and between Omnicell Technologies Inc., a California corporation ("Grantor"), and Baxter Healthcare Corporation, a Delaware corporation ("Baxter").

WITNESSETH:

WHEREAS, Grantor and Baxter are parties to that certain Loan and Security Agreement dated of even date herewith (as the same may hereafter be modified, amended, restated or supplemented from time to time, the "Credit Agreement"), pursuant to which Baxter may extend credit to Grantor and pursuant to which Grantor has granted a security interest in certain of its assets to Baxter for Baxter's benefit; and

WHEREAS, Baxter has required Grantor to execute and deliver this Agreement (i) in order to secure the prompt and complete payment, observance and performance of all of the "Obligations" (as defined in the Credit Agreement) and (ii) as a condition precedent to any extension of credit under the Credit Agreement;

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

1. Defined Terms.

(a) Unless otherwise defined herein, each capitalized term used herein that is defined in the Credit Agreement shall have the meaning specified for such term in the Credit Agreement.

(b) The words "hereof," "herein" and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section references are to this Agreement unless otherwise specified.

(c) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. Incorporation of Premises. The premises set forth above are incorporated into this Agreement by this reference thereto and are made a part hereof.

3. Incorporation of the Credit Agreement. The Credit Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto.

4. Security Interest in Patents. To secure the complete and timely payment, performance and satisfaction of all of the Obligations, Grantor hereby grants to Baxter, a security interest in, with power of sale to the extent permitted by applicable law and the provisions of this Agreement, all of Grantor's SureMed Intellectual Property Rights now owned or existing and hereafter acquired or arising consisting of:

(i) patents and patent applications, and the inventions and improvements described and claimed therein, including, without limitation, those patents and patent applications listed on Schedule A attached hereto and made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all of Grantor's rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (a)-(d) in this paragraph 4(i) are sometimes hereinafter individually and/or collectively referred to as the "Patents"); and

(ii) rights under or interest in any patent license agreements with any other party, whether Grantor is a licensee or licensor under any such license agreement, including, without limitation, those patent license agreements listed on Schedule B attached hereto and made a part hereof, and the right to prepare for sale and sell any and all Inventory now or hereafter owned by Grantor and now or hereafter covered by such licenses (all of the foregoing are hereinafter referred to collectively as the "Licenses"). Notwithstanding the foregoing provisions of this paragraph 4, the Licenses shall not include any license agreement which by its terms prohibits the grant of the security contemplated by this Agreement; provided, however, that upon the termination of such prohibitions for any reason whatsoever, the provisions of this paragraph 4 shall be deemed to apply thereto automatically.

5. Restrictions on Future Agreements. Grantor will not, without Baxter's prior written consent, enter into any agreement, other than a license agreement in which the Grantor is the licensee, which is inconsistent with this Agreement, and Grantor further agrees that it will not take any action, and will use reasonable efforts not to permit any action to be taken by others, including, without limitation, licensees, or fail to take any action, which would in any material respect affect the validity or enforcement of the rights granted to Baxter under this Agreement or the rights associated with the Patents or Licenses.

6. New Patents and Licenses. Subject to Baxter's representations and warranties set forth in Section 3.8(b) of the Asset Purchase Agreement, Grantor represents and warrants that (a) the Patents listed on Schedule A include all of the SureMed Intellectual Property Rights consisting of patents and patent applications, (b) the Licenses listed on Schedule B include all of the SureMed Intellectual Property Rights consisting of patent license agreements under which Grantor is the licensee or licensor and (c) no liens, claims or security interests in such

Patents and Licenses have been granted by Grantor to any Person other than Baxter, except as permitted under the Credit Agreement, including, without limitation, Permitted Liens, Permitted Senior Liens, and licenses and sublicenses in the ordinary course of business. If, prior to the termination of this Agreement, Grantor shall (i) obtain rights to any new patentable inventions, (ii) become entitled to the benefit of any patent, patent application, license or any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or any improvement on any Patent or License, or (iii) enter into any new patent license agreement, which in any such case, to the extent such items listed in clauses (i), (ii) and (iii) involve or constitute SureMed Intellectual Property Rights, the provisions of paragraph 4 above shall automatically apply thereto. Grantor shall use reasonable efforts to give to Baxter written notice of events described in clauses (i), (ii) and (iii) of the preceding sentence promptly after the occurrence thereof, but in any event not less frequently than on a quarterly basis. Upon prior written notice thereof, Grantor hereby authorizes Baxter to modify this Agreement unilaterally (i) by amending Schedule A to include any future SureMed Intellectual Property Rights consisting of patents and patent applications, and by amending Schedule B to include any future SureMed Intellectual Property Rights consisting of patent license agreements, which are Patents or Licenses under paragraph 4 above or under this paragraph 6, and (ii) by filing, in addition to and not in substitution for this Agreement, a duplicate original of this Agreement containing on Schedule A or B thereto, as the case may be, such future patents, patent applications and license agreements.

7. Royalties. Grantor hereby agrees that the use by Baxter of the Patents and Licenses as authorized hereunder in connection with Baxter's exercise of its rights and remedies under paragraph 15 or pursuant to the Credit Agreement shall be coextensive with Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Baxter to Grantor.

8. Further Assignments and Security Interests. Grantor agrees not to sell or assign its respective interests in, or grant any license under, unless such license is granted in the ordinary course of business, the Patents or the Licenses without the prior and express written consent of Baxter.

9. Nature and Continuation of Baxter's Security Interest; Termination of Baxter's Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Patents and Licenses and shall terminate only when the Obligations (other than contingent indemnity obligations) have been satisfied in full and the Credit Agreement has been terminated. When this Agreement has terminated, Baxter shall promptly execute and deliver to Grantor, at Grantor's expense, all termination statements and other instruments as may be necessary or proper to terminate Baxter's security interest in the Patents and the Licenses, subject to any disposition thereof which may have been made by Baxter pursuant to this Agreement or the Credit Agreement.

10. Duties of Grantor. Grantor shall have the duty, to the extent desirable in the normal conduct of Grantor's business, to: (i) prosecute diligently any patent application that is part of the Patents pending as of the date hereof or hereafter until the termination of this Agreement, and (ii) make application on unpatented but patentable inventions as Grantor deems

appropriate. Grantor further agrees (i) not to abandon any Patent or License without the prior written consent of Baxter, unless such Patent or License is not necessary or economically desirable in the operation of Grantor's business, and (ii) to use reasonable efforts to maintain in full force and effect the Patents and the Licenses that are or shall be necessary or economically desirable in the operation of Grantor's business. Any reasonable expenses incurred in connection with the foregoing shall be borne by Grantor. Baxter shall not have any duty with respect to the Patents and Licenses. Without limiting the generality of the foregoing, Baxter shall not be under any obligation to take any steps necessary to preserve rights in the Patents or Licenses against any other parties, but Baxter may do so at its option from and after the occurrence and during the continuance of an Event of Default, and all reasonable expenses incurred in connection therewith shall be for the sole account of Grantor and shall be added to the Obligations secured hereby.

11. Baxter's Right to Sue. From and after the occurrence and during the continuance of an Event of Default, Baxter shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Patents and the Licenses and, if Baxter shall commence any such suit, Grantor shall, at the request of Baxter, do any and all lawful acts and execute any and all proper documents reasonably required by Baxter in aid of such enforcement. Grantor shall, upon demand, promptly reimburse Baxter for all reasonable costs and expenses incurred by Baxter in the exercise of its rights under this paragraph 11 (including, without limitation, reasonable fees and expenses of attorneys and paralegals for Baxter).

12. Waivers. Baxter's failure, at any time or times hereafter, to require strict performance by Grantor of any provision of this Agreement shall not waive, affect or diminish any right of Baxter thereafter to demand strict compliance and performance therewith nor shall any course of dealing between Grantor and Baxter have such effect. No single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. None of the undertakings, agreements, warranties, covenants and representations of Grantor contained in this Agreement shall be deemed to have been suspended or waived by Baxter unless such suspension or waiver is in writing signed by an officer of Baxter and directed to Grantor specifying such suspension or waiver.

13. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but the provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part hereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

14. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in paragraph 6 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney. Effective only upon the occurrence and during the continuance of an Event of Default, Grantor hereby irrevocably

designates, constitutes and appoints Baxter (and all Persons designated by Baxter in its sole and absolute discretion) as Grantor's true and lawful attorney-in-fact, and authorizes Baxter and any of Baxter's designees, in Grantor's or Baxter's name, from and after the occurrence of, and during the continuance of, an Event of Default and the giving by Baxter of notice to Grantor of Baxter's intention to enforce its rights and claims against Grantor, to (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for Baxter in the use of the Patents or the Licenses, (ii) assign, pledge, convey or otherwise transfer title in or dispose of the Patents or the Licenses to anyone on commercially reasonable terms, (iii) grant or issue any exclusive or nonexclusive license under the Patents or, to the extent permitted, under the Licenses, to anyone on commercially reasonable terms, and (iv) take any other actions with respect to the Patents or the Licenses as Baxter deems reasonably necessary. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until all of the shall have been paid in full in cash and the Credit Agreement shall have been terminated. Grantor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Baxter under the Credit Agreement, but rather is intended to facilitate the exercise of such rights and remedies.

Baxter shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents or the Licenses may be located or deemed located. Upon the occurrence and during the continuance of an Event of Default and the election by Baxter to exercise any of its remedies under Section 9-504 or Section 9-505 of the Uniform Commercial Code with respect to the Patents and Licenses, Grantor agrees to assign, convey and otherwise transfer title in and to the Patents and the Licenses to Baxter or any transferee of Baxter and to execute and deliver to Baxter or any such transferee all such agreements, documents and instruments as may be necessary, in Baxter's reasonable discretion, to effect such assignment, conveyance and transfer. All of Baxter's rights and remedies with respect to the Patents and the Licenses, whether established hereby, by the Credit Agreement, by any other agreements or by law, shall be cumulative and may be exercised separately or concurrently. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence and during the continuance of an Event of Default, Baxter may exercise any of the rights and remedies provided in this Agreement, the Credit Agreement and any of the other Loan Documents. Grantor agrees that any notification of intended disposition of any of the Patents and Licenses required by law shall be deemed reasonably and properly given if received at least ten (10) days before such disposition; provided, however, that Baxter may give any shorter notice that is commercially reasonable under the circumstances.

16. Successors and Assigns. This Agreement shall be binding upon Grantor and its successors and assigns, and shall inure to the benefit of Baxter and its nominees, successors and assigns. Grantor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Grantor; provided, however, that Grantor shall not voluntarily assign or transfer its rights or obligations hereunder without Baxter's prior written consent. Baxter may freely and without restriction assign its rights, duties, and obligations under

this Agreement; provided, however, that Baxter shall not assign such rights, duties and obligations to any Person engaged in the same line of business as Grantor's business.

17. Governing Law. This Agreement shall be construed and enforced and the rights and duties of the parties shall be governed by in all respects in accordance with the internal laws (as opposed to conflict of laws provisions) and decisions of the State of Illinois, except to the extent the laws of another jurisdiction apply to the perfection of and enforcement of remedies with respect to the security interest granted herein.

18. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Credit Agreement.

19. Section Titles. The section titles herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

20. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

21. Merger. This Agreement represents the final agreement of the Grantor with respect to the matters contained herein and may not be contradicted by evidence of prior or contemporaneous agreements, or subsequent oral agreements, between the Grantor and Baxter.

22. No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

OMNICELL TECHNOLOGIES, INC.

By: Earl E. Fry
Name: EARL E. FRY
Title: VP & CFO

Accepted and agreed to as of the day and year first above written.

BAXTER HEALTHCARE CORPORATION

By: _____
Name:
Title:

Patent Security Agreement Signature Page

TRADEMARK
REEL: 1858 FRAME: 0359

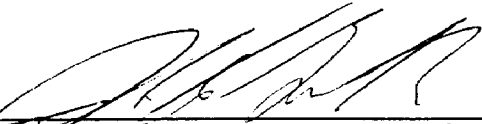
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

OMNICELL TECHNOLOGIES INC.

By: _____
Name:
Title:

Accepted and agreed to as of the day and year first above written.

BAXTER HEALTHCARE CORPORATION

By: 
Name: JOHN F. GAITHER, JR. FLOR.
Title: VICE PRESIDENT

Patent Security Agreement Signature Page

TRADEMARK
REEL: 1858 FRAME: 0360

Schedule A
to
Patent Security Agreement

Dated as of January 29, 1999

Patents

Patent Number	Title	File Date	Inventor
5,190,185	Medication Transport and Dispensing Magazine	May 18, 1990	Joseph Blechl
5,377,864	Drug Dispensing Apparatus	May 15, 1990	Joseph Blechl, Panos Hadjimitsos, James R. Kurtz, Hiroyasu Shimizu, Manabu Haraguchi

Patent Applications

None.

Schedule B
to
Patent Security Agreement

Dated as of January 29, 1999

License Agreements

None.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

On January 26, 1999, before me, Christine M. Giammona, Notary Public (Name and Title of Officer)

personally appeared Earl Fry

personally known to me -or- proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



WITNESS my hand and official seal.

Signature of Notary Public (Christine M. Giammona)

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Patent Security Agreement

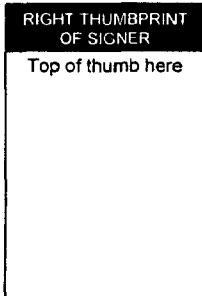
Document Date: Number of Pages:

Signer(s) Other Than Named Above:

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name: Earl Fry

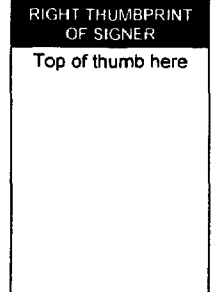
- Individual (checked)
Corporate Officer
Partner - Limited General
Attorney-in-Fact
Trustee
Guardian or Conservator
Other:



Signer is representing: Name of Person(s) or Entity(ies)

Signer's Name:

- Individual
Corporate Officer
Partner - Limited General
Attorney-in-Fact
Trustee
Guardian or Conservator
Other:

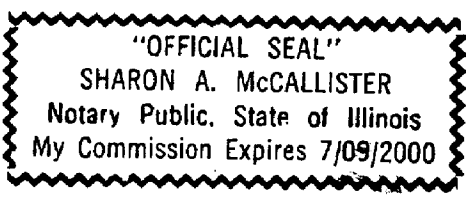


Signer is representing: Name of Person(s) or Entity(ies)

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

The foregoing Patent Security Agreement was acknowledged before me this 29th day of January, 1999, by John Gaither, a Vice President of Baxter Healthcare Corporation, a Delaware corporation, on behalf of such corporation.

Sharon A. McCallister
Notary Information



::ODMA\PCDOCS\CHICAGO4\776948\3