

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST
EFFECTIVE DATE:	02/15/2006

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Precept Medical Products, Inc.		02/15/2006	CORPORATION:

RECEIVING PARTY DATA

Name:	Wells Fargo Bank, National Association, acting through its Wells Fargo Business Credit operating division
Street Address:	400 Northridge Road
Internal Address:	Suite 600
City:	Atlanta
State/Country:	GEORGIA
Postal Code:	30350
Entity Type:	National Association:

PROPERTY NUMBERS Total: 5

Property Type	Number	Word Mark
Registration Number:	1309835	PRECEPT
Registration Number:	1392256	SAFE-T-TRED
Registration Number:	1853564	FOG SHIELD
Registration Number:	2567138	WHITE KNIGHT
Registration Number:	2630623	WHITE KNIGHT

CORRESPONDENCE DATA

Fax Number: (404)522-8409
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 404-420-5574
 Email: ovs@phrd.com
 Correspondent Name: Oksana V. Sepich
 Address Line 1: 285 Peachtree Center Avenue

OP \$140.00 1309835

Address Line 2: Suite 1500
Address Line 4: Atlanta, GEORGIA 30303

ATTORNEY DOCKET NUMBER:

1141.42

NAME OF SUBMITTER:

Michael G, Leveille

Signature:

/Michael Leveille/

Date:

03/17/2006

Total Attachments: 9

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**AMENDED AND RESTATED PATENT
AND TRADEMARK SECURITY AGREEMENT**

This Agreement, dated as of February 15, 2006, is made by and between **PRECEPT MEDICAL PRODUCTS, INC.**, a Pennsylvania corporation ("Precept"), and **PRECEPT ULTRAGARD LLC**, a North Carolina limited liability company ("Precept UltraGard"; Precept and Precept UltraGard, collectively, the "Debtors" and, individually, a "Debtor"), each having a business location at the address set forth below next to its signature, and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, having a business location at the address set forth below next to its signature (the "Secured Party").

Recitals

Precept and the Secured Party (as successor to Wells Fargo Business Credit, Inc.) are parties to a Patent and Trademark Security Agreement dated as of November 15, 2002 (as amended, the "Existing Agreement").

The Debtors and the Secured Party have entered into that certain Amended and Restated Credit and Security Agreement of even date herewith (as the same may hereafter be amended, supplemented or restated from time to time, the "Credit Agreement") setting forth the terms on which the Secured Party may now or hereafter extend credit to or for the account of the Debtors.

As a condition to extending credit to or for the account of the Debtors, the Secured Party has required the execution and delivery of this Agreement by the Debtors, whereby the Debtors shall grant the Secured Party a security interest in the Patents and Trademarks described herein, and ratify, renew and continue the prior grant of such Patents and Trademarks pursuant to the terms of the Existing Agreement.

ACCORDINGLY, in consideration of the mutual covenants contained in the Loan Documents and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Credit Agreement that are not otherwise defined herein shall have the meanings given to them therein. In addition, the following terms have the meanings set forth below:

"Obligations" means each and every debt, liability and obligation of every type and description arising under or in connection with any Loan Document (as defined in the Credit Agreement) which the Debtors may now or at any time hereafter owe to the Secured Party, whether such debt, liability or obligation now exists or is hereafter created or incurred and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, independent, joint, several or joint and several, and including specifically, but not limited to, the Obligations (as defined in the Credit Agreement).

"Patents" means all of each Debtor's right, title and interest in and to patents or applications for patents registered or filed with the United States Patent and Trademark Office or any other agency of the United States federal government, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit A.

"Security Interest" has the meaning given in Section 2.

"Trademarks" means all of each Debtor's right, title and interest in and to: (i) trademarks, service marks, collective membership marks, registrations and applications for registration for each, in each case to the extent registered or filed with the United States Patent and Trademark Office or any other agency of the United States federal government, and the respective goodwill associated with each, (ii) licenses, fees or royalties with respect to each, (iii) the right to sue for past, present and future infringement, dilution and damages therefor, (iv) and licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit B.

2. **Security Interest.** Each Debtor hereby irrevocably pledges and assigns to, and grants the Secured Party a security interest (the "Security Interest"), with power of sale to the extent permitted by law, in the Patents and in the Trademarks to secure payment of the Obligations. As set forth in the Credit Agreement, the Security Interest is coupled with a security interest in substantially all of the personal property of the Debtors.

3. **Representations, Warranties and Agreements.** Each Debtor represents, warrants and agrees as follows:

(a) ***Existence; Authority.*** Such Debtor is duly organized, validly existing and in good standing under the laws of its state of organization, and this Agreement has been duly and validly authorized by all necessary action on the part of each Debtor.

(b) ***Patents.*** Exhibit A accurately lists all Patents owned or controlled by a Debtor as of the date hereof, or to which a Debtor has a right as of the date hereof to have assigned to it, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If after the date hereof, a Debtor owns, controls or has a right to have assigned to it any Patents not listed on Exhibit A, or if Exhibit A ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then the Debtors shall within 60 days provide written notice to the Secured Party with a replacement Exhibit A, which upon acceptance by the Secured Party shall become part of this Agreement.

(c) ***Trademarks.*** Exhibit B accurately lists all Trademarks owned or controlled by a Debtor as of the date hereof and accurately reflects the existence and status of Trademarks and all applications and registrations pertaining thereto as of the date hereof. If after the date hereof, a Debtor owns or controls any Trademarks not listed on Exhibit B, or if Exhibit B ceases to accurately reflect the existence and status of applications and registrations pertaining to the Trademarks, then the Debtors shall promptly provide written notice to the Secured Party with a replacement Exhibit B, which upon acceptance by the Secured Party shall become part of this Agreement.

(d) ***Affiliates.*** As of the date hereof, no Affiliate (other than a Debtor) owns, controls, or has a right to have assigned to it any items that would, if such item were owned by a Debtor, constitute Patents or Trademarks. If after the date hereof any Affiliate owns, controls, or has a right to have assigned to it any such items, then the Debtors shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to the Debtor; or (ii) notify the Secured Party of such item(s) and cause such Affiliate to execute and deliver to the Secured Party a patent and trademark security agreement substantially in the form of this Agreement.

(e) ***Title.*** The Debtors have absolute title to each Patent and each Trademark listed on Exhibits A and B, free and clear of all Liens except Permitted Liens. The Debtors (i) will have, at the time the Debtors acquire any rights in Patents or Trademarks hereafter arising, absolute title to each such

Patent or Trademark free and clear of all Liens except Permitted Liens, and (ii) will keep all Patents and Trademarks free and clear of all Liens except Permitted Liens.

(f) **No Sale.** Except as permitted in the Credit Agreement, no Debtor not assign, transfer, encumber or otherwise dispose of the Patents or Trademarks, or any interest therein, without the Secured Party's prior written consent.

(g) **Defense.** The Debtors will at their own expense and using commercially reasonable efforts, protect and defend the Patents and Trademarks against all claims or demands of all Persons other than those holding Permitted Liens.

(h) **Maintenance.** The Debtors will at their own expense maintain the Patents and the Trademarks to the extent reasonably advisable in their business including, but not limited to, filing all applications to obtain letters patent or trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent, trademark registrations and applications therefor. The Debtors covenant that they will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent or Trademark, nor fail to file any required affidavit or renewal in support thereof, without first providing the Secured Party: (i) sufficient written notice, of at least 30 days, to allow the Secured Party to timely pay any such maintenance fees or annuities which may become due on any Patents or Trademarks, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(i) **Secured Party's Right to Take Action.** If the Debtors fail to perform or observe any of their covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after the Secured Party gives the Debtors written notice thereof (or, in the case of the agreements contained in subsection (h), immediately upon the occurrence of such failure, without notice or lapse of time), or if the Debtors notify the Secured Party that they intend to abandon a Patent or Trademark, the Secured Party may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of the Debtor (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(j) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Debtors shall pay the Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by the Secured Party in connection with or as a result of the Secured Party's taking action under subsection (i) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by the Secured Party at the Default Rate.

(k) **Power of Attorney.** To facilitate the Secured Party's taking action under subsection (i) and exercising its rights under Section 6, each Debtor hereby irrevocably appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of such Debtor with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of such Debtor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by such Debtor under this Section 3, or, necessary for the Secured Party, after an Event of Default, to enforce or use the Patents or Trademarks or to grant or issue any exclusive or non-exclusive license

under the Patents or Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents or Trademarks to any third party. Each Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Credit Agreement as provided therein and the payment and performance of all Obligations.

4. Debtors' Use of the Patents and Trademarks. The Debtors shall be permitted to control and manage the Patents and Trademarks, including the right to exclude others from making, using or selling items covered by the Patents and Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) an Event of Default, as defined in the Credit Agreement, shall occur; or (b) the Debtors shall fail promptly to observe or perform any covenant or agreement herein binding on them; or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, the Secured Party may, at its option, take any or all of the following actions:

(a) The Secured Party may exercise any or all remedies available under the Credit Agreement.

(b) The Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks.

(c) The Secured Party may enforce the Patents and Trademarks and any licenses thereunder, and if Secured Party shall commence any suit for such enforcement, the Debtors shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement.

7. Miscellaneous. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Secured Party. A waiver signed by the Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to the Debtors under this Agreement shall be given in the manner and with the effect provided in the Credit Agreement. The Secured Party shall not be obligated to preserve any rights the Debtors may have against prior parties, to realize on the Patents and Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Patents and Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Debtors and the Secured Party and their respective participants, successors and assigns and shall take effect when signed by the Debtors and delivered to the Secured Party, and the Debtors waive notice of the Secured Party's acceptance hereof. The Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of the Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by a Debtor shall have the same

force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of Georgia without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

8. Amendment and Restatement. This Agreement amends and restates the Existing Agreement. All rights, benefits, indebtedness, interests, liabilities and obligations of the parties to the Existing Agreement are hereby renewed, amended, restated and superseded in their entirety according to the terms and provisions set forth in this Agreement and the other Loan Documents. This Agreement does not constitute, nor shall it result in, a waiver of, or release, discharge or forgiveness of, any amount payable in connection with the Existing Agreement, all of which are renewed and continued and are hereafter payable and to be performed in accordance with this Agreement and the other Loan Documents. Neither this Agreement nor any of the other Loan Documents extinguishes the indebtedness or liabilities outstanding in connection with the Existing Agreement, nor do they constitute a novation with respect thereto. All security interests, pledges, assignments, and other liens previously granted by Precept pursuant to the Existing Agreement are hereby renewed and continued, and all such security interests, pledges, assignments and other liens shall remain in full force and effect as security for the Obligations.

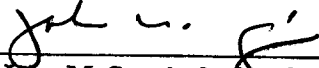
THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.

[signatures contained on next page]

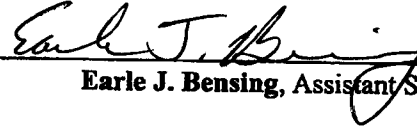
IN WITNESS WHEREOF, the parties have executed this Amended and Restated Patent and Trademark Security Agreement as of the date written above.

Precept Medical Products, Inc.
370 Airport Road
Arden, North Carolina 28704

PRECEPT MEDICAL PRODUCTS, INC.

By: 
John M. Sopcisak, Chief Executive Officer

Attest:

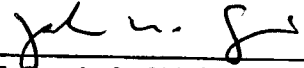

Earle J. Bensing, Assistant Secretary

c/o Precept Medical Products, Inc.
370 Airport Road
Arden, North Carolina 28704

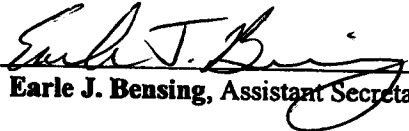
PRECEPT ULTRAGARD LLC

By its Manager

PRECEPT MEDICAL PRODUCTS, INC.

By: 
John M. Sopcisak, Chief Executive Officer

Attest:


Earle J. Bensing, Assistant Secretary

Wells Fargo Business Credit
400 Northridge Road, Suite 600
Atlanta, Georgia 30350

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**, acting through its Wells Fargo
Business Credit operating division

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Patent and Trademark Security Agreement as of the date written above.

Precept Medical Products, Inc.
370 Airport Road
Arden, North Carolina 28704

PRECEPT MEDICAL PRODUCTS, INC.

By: _____
John M. Sopcisak, Chief Executive Officer

Attest:

Earle J. Bensing, Assistant Secretary

c/o Precept Medical Products, Inc.
370 Airport Road
Arden, North Carolina 28704

PRECEPT ULTRAGARD LLC

By its Manager

PRECEPT MEDICAL PRODUCTS, INC.

By: _____
John M. Sopcisak, Chief Executive Officer

Attest:

Earle J. Bensing, Assistant Secretary

Wells Fargo Business Credit
400 Northridge Road, Suite 600
Atlanta, Georgia 30350

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, acting through its Wells Fargo
Business Credit operating division**

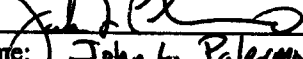
By: 
Name: John L. Palermo
Title: Vice President

EXHIBIT A

U.S. NON-PROVISIONAL PATENTS

<u>Title</u>	<u>Patent No. or Appln. No.</u>	<u>Issue Date or Filing Date</u>	<u>Status</u>
REFILLABLE THERAPEUTIC PACK	11/094,046	03/30/2005	Pending Appln.

U.S. PROVISIONAL PATENTS

<u>Title</u>	<u>Patent No. or Appln. No.</u>	<u>Issue Date or Filing Date</u>	<u>Status</u>
DISPOSABLE PROTECTIVE GOWN	60/657,199	02/28/2005	Pending – (must be refiled as non-provisional by 2/28/2006 – we do not plan to refile)

EXHIBIT B

U.S. ISSUED TRADEMARKS, SERVICE MARKS AND COLLECTIVE MEMBERSHIP MARKS

<u>Mark</u>	<u>Registration No.</u>	<u>Registration Date</u>	<u>Status</u>
PRECEPT	1,309,835	12/18/1984	Registered
SAFE-T-TRED	1,392,256	5/6/1986	Registered
FOG SHIELD	1,853,564	9/13/1994	Registered
WHITE KNIGHT	2,567,138	5/7/2002	Registered
WHITE KNIGHT & Design)	2,630,623	10/8/2002	Registered

UNREGISTERED MARKS

UltraGard™