

05-23-2002



Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002)

OFFICE OF RECORDATION & TRADEMARKS

DEPARTMENT OF COMMERCE Patent and Trademark Office

102101170

Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

MATRX MEDICAL, INC. 5-27-02

- Individual(s), Association, General Partnership, Limited Partnership, Corporation-State Delaware, Other

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment, Merger, Security Agreement, Change of Name, Other

Execution Date: April 22, 2002

2. Name and address of receiving party(ies)

Name: Fleet National Bank

Internal Address:

Street Address: 10 Fountain Plaza

City: Buffalo State: NY Zip: 14202

- Individual(s) citizenship, Association, General Partnership, Limited Partnership, Corporation-State, Other National banking corporation

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

815954 2185957 729524

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: John P. Hains

Internal Address: Lippes, Silverstein, Mathias & Wexler LLP

Street Address: 28 Church Street, Ste. 700

City: Buffalo State: NY Zip: 14202

6. Total number of applications and registrations involved:

3

7. Total fee (37 CFR 3.41): \$ 90.00

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. 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.

John P. Hains

Name of Person Signing

Signature

Signature

5/8/2002

Date

Total number of pages including cover sheet, attachments, and document:

9

05/23/2002 6TOM11 00000040 815954

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

01 FC:481 02 FC:482

40.00 OP 50.00 OP

TRADEMARK REEL: 002512 FRAME: 0096

GENERAL SECURITY AGREEMENT

Date: April 22, 2002

NAME: MATRX MEDICAL INC.	STATE OR ORGANIZATION IF APPLICABLE Delaware	
NO. AND STREET: 145 Mid County Drive		
CITY, VILLAGE OR TOWN: Orchard Park	COUNTY Erie	STATE New York 14127
(Debtor) and		
FLEET NATIONAL BANK		
NO. AND STREET 10 Fountain Plaza	CITY AND STATE Buffalo, New York	
(Secured Party)		

agree as follows:

1. **Security Interest.** Debtor hereby grants to Secured Party a security interest (the "Security Interest") in and to all personal property and fixtures of the Debtor, wherever located and whether now existing or owned or hereafter arising or acquired by Debtor, whether or not affixed to realty, whether or not subject to the Uniform Commercial Code, as the same may be in effect in the State of New York from time to time, including all Proceeds and Products thereof in any form and in all parts, accessories, attachments, special tools, additions, replacements, substitutions and accessions thereto or therefore, in all increases or profits received therefrom and in all business records relating to such property and software or other programs necessary to access such information (to the extent that software or other programs are owned by Debtor), such personal property and fixtures including WITHOUT LIMITATION, Accounts (including Health Care Receivables); As-extracted Collateral; Chattel Paper; Commercial Tort Claims; Deposit Accounts; Documents; Equipment; Instruments (including Promissory Notes); Investment Property (including Commodity Accounts and Commodity Contracts); General Intangibles (including trademarks, service marks, trade names, patents, copyrights, licenses, franchises, Payment Intangibles and Software); Goods (including Accessions thereto, Farm Products, Inventory, and embedded Software) and Letter-of-Credit Rights (collectively, the "Collateral").

2. **Indebtedness Secured.** The Security Interest secures payment of any and all indebtedness and obligations of Debtor to Secured Party, whether now existing or hereafter incurred, of every kind and character, direct or indirect, absolute or contingent (including indebtedness pursuant to any guaranty, endorsement or other assurance of payment) and whether such indebtedness or obligations is from time to time reduced and thereafter increased, or entirely extinguished and thereafter reincurred including without limitation: (a) indebtedness and obligations not yet outstanding, but contracted for, or with respect to which any other commitment by Secured Party exists; (b) all interest provided in any instrument, document, or agreement (including this Security Agreement) which accrues on any indebtedness or obligations until payment of such indebtedness or obligations in full; (c) any moneys payable as hereinafter provided, and (d) any debts owed or to be owed by Debtor to others which Secured Party has obtained, or may obtain, by assignment or otherwise (collectively, "Indebtedness").

3. **Representations and Warranties of Debtor.** Debtor represents and warrants, and, so long as this Security Agreement is in effect, shall be deemed continuously to represent and warrant, that: (a) Debtor's state of incorporation and exact legal name are set forth above, (b) Debtor is the owner of the Collateral free of all security interests or other encumbrances, except the Security Interest and except as specified in an appropriate Schedule hereto; (c) Debtor is authorized to enter into this Security Agreement; (d) any and all tradenames, division names, assumed names or other names under which Debtor transacts any part of its business are specified in an appropriate Schedule hereto; (e) Debtor's business address and chief executive office are specified above or on an appropriate Schedule hereto, and all of Debtor's records concerning the Collateral are kept at the addresses specified on such Schedule; (f) each Account, General Intangible, Letter-

of-Credit Right and Chattel Paper constituting Collateral is genuine and enforceable in accordance with its terms against the party obligated to pay it (an "Account Debtor"), and no Account Debtor has any defense, setoff, claim or counterclaim against Debtor which can be asserted against Secured Party, whether in any proceeding to enforce the Collateral or otherwise; (g) the amounts represented from time to time by Debtor to Secured Party as owing by each Account Debtor or by all Account Debtors will be and are the correct amounts actually and unconditionally owing by such Account Debtor or Debtors individually and in the aggregate, except for normal cash discounts where applicable, (h) each Instrument and each Document constituting Collateral is genuine and in all respects what it purports to be; and (i) any Collateral which is a Fixture is affixed to real property at Debtor's address specified above or as specified in an appropriate Schedule hereto, and such real property is owned by Debtor or by the person or persons named in such Schedule and is encumbered only by the mortgage or mortgages listed on such Schedule.

4. **Covenants of Debtor.** So long as this Security Agreement is in effect, Debtor: (a) will defend the Collateral against the claims and demands of all other parties, including, without limitation, defenses, setoffs, claims and counterclaims asserted by any Account Debtor against Debtor or Secured Party, except, as to Inventory, purchasers and lessees in the ordinary course of Debtor's business, will keep the Collateral free from all security interests or other encumbrances except the Security Interest and except as specified in an appropriate Schedule hereto; and will not sell, transfer, lease, assign, deliver or otherwise dispose of any Collateral or any interest therein without the prior written consent of Secured Party, except that, until the occurrence of an "Event of Default" as specified in paragraph 10 hereof, Debtor may: (i) sell or lease Inventory in the ordinary course of Debtor's business; (ii) dispose of obsolete inventory in a commercially reasonable manner in the ordinary course of Debtor's business; and (iii) allow inventory to be stored by third parties as consignees of the Borrower pursuant to a written consignment agreement which for purposes of this agreement, shall include a notice on the shipping document or bill of lading to the customer which indicates that the inventory is being provided to the customer on a consignment basis; (b) will furnish to Secured Party financial statements in such form and at such intervals as provided in the Credit Agreement dated the date of this Security Agreement between Debtor and Secured Party, as the same may be amended or restated from time to time (the "Credit Agreement"); will keep, in accordance with generally accepted accounting principles consistently applied, accurate and complete books and records, including, without limitation, records concerning the Collateral; at Secured Party's request, will mark any and all such books and records to indicate the Security Interest, will permit Secured Party or its agents to inspect the Collateral and to audit and make extracts from or copies of such books and records and any of Debtor's ledgers, reports, correspondence or other books and records as provided in the Credit Agreement; and will duly account to Secured Party's satisfaction, at such time or times as Secured Party may require, for any of the Collateral; (c) will deliver to Secured Party upon demand, all Documents and all Chattel Paper (duly indorsed to Secured Party) constituting, representing or relating to the Collateral or any part thereof, and any Schedules, invoices, shipping documents, delivery receipts, purchase orders, contracts or other documents representing or relating to the Collateral or any part thereof; (d) will notify Secured Party promptly in writing of any change in Debtor's business address or chief executive office, any change in the address at which records concerning the Collateral are kept and any change in Debtor's legal name, state of incorporation, identity or corporate or other structure, (e) will not, without Secured Party's written consent, make or agree to make any alteration, modification or cancellation of or substitution for, or credits, adjustments or allowances on, Accounts, General Intangibles, Letter-of-Credit Rights or Chattel Paper constituting Collateral except in the ordinary course of business and provided that no Event of Default shall have occurred and be continuing, or shall be caused thereby or result therefrom; will furnish to Secured Party, on request, all credit and other information respecting the financial condition of any Account Debtor; and will notify Secured Party promptly of any material default by any Account Debtor in payment if the payment obligations of such Account Debtor individually or in the aggregate exceed \$50,000.00, or of any material default by any Account Debtor of any other performance of obligations with respect to any Collateral; (f) will keep the Collateral in good condition and repair, ordinary wear and tear excepted, and will not use the Collateral in violation of any provisions of this Security Agreement, of any applicable statute, regulation or ordinance or of any policy insuring the Collateral; (g) will pay all taxes assessments and other charges of every nature which may be imposed, levied or assessed against Debtor or any of Debtor's assets prior to the date of attachment of any penalties or liens with respect thereto (other than liens attaching prior to payment becoming due, if payment is made when due), provided, however, Debtor shall not be required to pay any such tax, assessment or other charge so long as its validity is being contested in good faith by appropriate proceedings diligently conducted; (h) will insure

the Collateral against risks, in coverage, form and amount, and by insurer, satisfactory to Secured Party, and, at Secured Party's request, will cause each policy to be payable to Secured Party as a named insured or loss payee, as its interest may appear, and deliver each policy or certificate of insurance to Secured Party; (i) will prevent the Collateral or any part thereof from being or becoming an accession to other goods not covered by this Security Agreement; (j) in connection herewith, will execute and deliver to Secured Party such financing statements, assignments and other documents and do such other things relating to the Collateral and the Security Interest as Secured Party may request, and pay all costs of title searches and filing financing statements, assignments and other documents in all public offices requested by Secured Party; (k) except as set forth in a Schedule hereto or as permitted by the Credit Agreement, will not, without the prior written consent of Secured Party, file or authorize or permit to be filed in any public office any financing statement naming Debtor as debtor and not naming Secured Party as secured party; and (l) will not place the Collateral in any warehouse which may issue a negotiable document with respect thereto.

5. **Verification of Collateral.** Secured Party shall have the right to verify all or any Collateral in any manner and through any medium Secured Party may reasonably consider appropriate, and Debtor agrees to furnish all assistance and information and perform any acts which Secured Party may reasonably require in connection therewith and, to the extent provided in the Credit Agreement, to pay all of Secured Party's costs therefor.

6. **Notification and Payments.** At any time after the occurrence and during the continuation of an Event of Default, Secured Party may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to Secured Party. All payments on and from Collateral received by Secured Party directly or from Debtor shall be applied to the Indebtedness in such order and manner and at such time as Secured Party shall, in its sole discretion, determine. Debtor waives the right to demand the Secured Party to issue a formal release to an Account Debtor following payment. At any time after the occurrence and during the continuation of an Event of Default, Secured Party may demand of Debtor in writing before or after notification to Account Debtors and without waiving in any manner the Security Interest, that any payments on and from the Collateral received by Debtor: (a) shall be held by Debtor in trust for Secured Party in the same medium in which received; (b) shall not be commingled with any assets of Debtor, and (c) shall be delivered to Secured Party in the form received, properly indorsed to permit collection not later than the next business day following the day of their receipt, and Debtor shall comply with such demand. Debtor shall also promptly notify Secured Party of the return to or repossession by Debtor of Goods underlying any Collateral, and Debtor shall hold the same in trust for Secured Party and shall dispose of the same as Secured Party directs.

7. **Registered Holder of Collateral.** If any Collateral consists of investment securities, Debtor authorizes Secured Party to transfer the same or any part thereof into its own name or that of its nominee so that Secured Party or its nominee may appear of record as the sole owner thereof; provided, that so long as no Event of Default has occurred, Secured Party shall deliver promptly to Debtor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to Debtor or its designee a proxy or proxies to vote and take all action with respect to such securities. After the occurrence and during the continuation of any Event of Default, Debtor waives all rights to be advised of or to receive any notices, statements or communications received by Secured Party or its nominee as such record owner, and agrees that no proxy or proxies given by Secured Party to Debtor or its designee as aforesaid shall thereafter be effective.

8. **Income from and Interest on Collateral Consisting of Instruments.**

(a) Except upon the occurrence and during the continuation of an Event of Default, Debtor reserves the right to receive all income from or interest on the Collateral consisting of Instruments, and if Secured Party receives any such income or interest prior to such Event of Default, Secured Party shall pay the same promptly to Debtor.

(b) Upon the occurrence and during the continuation of an Event of Default, Debtor will not demand or receive any income from or interest on such Collateral, and if Debtor receives any such income or interest without any demand by it, same shall be held by Debtor in trust for Secured Party in the

same medium in which received. shall not be commingled with any assets of Debtor and shall be delivered to Secured Party in the form received, properly indorsed to permit collection, not later than the next business day following the day of its receipt. Secured Party may apply the net cash receipts from such income or interest to payment of any of the Indebtedness provided that Secured Party shall account for and pay over to Debtor any such income or interest remaining after payment in full of the Indebtedness.

9. Increases, Profits, Payments or Distributions.

(a) Whether or not an Event of Default has occurred, Debtor authorizes Secured Party: (i) to receive any increase in or profits on the Collateral (including, without limitation, any stock issued as a result of any stock split or dividend, any capital distributions and the like), and to hold the same as part of the Collateral; and (ii) to receive any payment or distribution on the Collateral upon redemption by, or dissolution and liquidation of, the issuer, to surrender such Collateral or any part thereof in exchange therefor; and to hold the net cash receipts from any such payment or distribution as part of the Collateral.

(b) If Debtor receives any such increase, profits, payments or distributions, Debtor will receive and deliver same promptly to Secured Party on the same terms and conditions set forth in paragraph 8(b) hereof respecting income or interest, to be held by Secured Party as part of the Collateral.

10. Events of Default.

(a) For purposes of this Agreement, an Event of Default shall mean the occurrence of an "Event of Default" as defined in the Credit Agreement.

(b) All or any part of any Indebtedness not payable on demand shall be immediately due and payable without demand or notice of any kind upon the happening of one or more Events of Default relating to the bankruptcy or insolvency of the Debtor. Secured Party, at its sole election, may declare all or any part of any Indebtedness not payable on demand to be immediately due and payable without demand or notice of any kind upon the happening of any Event of Default (other than an event of default relating to the bankruptcy or insolvency of the Debtor). The provisions of this paragraph are not intended in any way to affect any rights of Secured Party with respect to any Indebtedness which may now or hereafter be payable on demand.

(c) Secured Party's rights and remedies with respect to the Collateral shall be those of a Secured Party under the Uniform Commercial Code and under any other applicable law, as the same may from time to time be in effect, in addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and Secured Party. Upon the existence or occurrence of an Event of Default, Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place or places designated by Secured Party, and Secured Party may use and operate the Collateral. Upon the occurrence of an Event of Default, Debtor designates and appoints Secured Party and its designees as attorney-in-fact of Debtor, irrevocably and with power of substitution, with authority to endorse Debtor's name on any notes, acceptances, checks, drafts, money orders, instruments or other evidences of payment or proceeds of the Collateral that may come into Secured Party's possession; to execute proofs of claim and loss; to adjust and compromise any claims under insurance policies; and to perform all other acts necessary and advisable, in Creditor's sole discretion, to carry out and enforce this agreement. All acts of said attorney or designee are hereby ratified and approved by Debtor and said attorney or designee shall not be liable for any acts of commission or omission nor for any error of judgment or mistake of fact or law. This power of attorney is coupled with an interest and is irrevocable so long as any of the Indebtedness remains unpaid or unperformed or there exists any commitment by Secured Party that could give rise to any Indebtedness.

(d) Without in any way requiring notice to be given in the following time and manner Debtor agrees that any notice by Secured Party of sale, disposition or other intended action hereunder or in connection herewith whether required by the Uniform Commercial Code or otherwise, shall constitute reasonable notice to Debtor if such notice is mailed by regular or certified mail, postage prepaid, at least five (5) days prior to such action, to Debtor's address specified above or to any other address which Debtor has specified in writing to Secured Party as the address to which notices hereunder shall be given to Debtor.

(e) Debtor agrees to pay on demand all costs and expenses incurred by Secured Party in enforcing this Security Agreement, in realizing upon or protecting any Collateral and in enforcing and collecting any Indebtedness or any guaranty thereof, including, without limitation, if Secured Party retains counsel for advice, suit, appeal, insolvency or other proceedings under the federal Bankruptcy Code or otherwise, or for any of the above purposes, the reasonable attorney's fees incurred by Secured Party. Such costs and expenses shall be included as part of the Indebtedness secured hereunder.

11. Miscellaneous.

(a) Debtor hereby authorizes Secured Party, at Debtor's expense, to file such financing statement or statements relating to the Collateral without Debtor's signature thereon as Secured Party at its option may reasonably deem appropriate, and appoints Secured Party as Debtor's attorney-in-fact (without requiring Secured Party) to execute any such financing statement or statements in Debtor's name and to perform all other acts which Secured Party deems appropriate to perfect and continue the Security Interest and to protect, preserve and realize upon the Collateral. This power of attorney shall not be affected by the subsequent disability or incompetence of Debtor.

(b) After the occurrence and during the continuation of an Event of Default, Secured Party may demand, collect and sue on any of the Accounts, Chattel Paper, Instruments and General Intangibles (in either Debtor's or Secured Party's name at the latter's option); may enforce, compromise, settle or discharge such Collateral without discharging the Indebtedness or any part thereof; and may indorse Debtor's name on any and all checks, commercial paper, and any other Instruments pertaining to or constituting Collateral.

(c) (i) As further security for payment of the Indebtedness, Debtor hereby grants to Secured Party a Security Interest in and lien on any and all property of Debtor which is or may hereafter be in the possession or control of Secured Party in any capacity or of any Third Party acting on its behalf, including, without limitation, all deposit and other accounts and all moneys owed or to be owed by Secured Party to Debtor and with respect to all of such property, Secured Party shall have the same rights hereunder as it has with respect to the Collateral; (ii) without limiting any other right of Secured Party, whenever Secured Party has the right to declare any Indebtedness to be immediately due and payable (whether or not it has so declared), Secured Party at its sole election may set off against the Indebtedness any and all moneys then or thereafter owed to Debtor by Secured Party in any capacity whether or not the Indebtedness or the obligation to pay such moneys owed by Secured Party is then due, and Secured Party shall be deemed to have exercised such right of set off immediately at the time of such election even though any charge therefor is made or entered on Secured Party's records subsequent thereto.

(d) Upon Debtor's failure to perform any of its duties hereunder, Secured Party may, but shall not be obligated to, perform any or all such duties, including, without limitation, payment of taxes, assessments, insurance and other charges and expenses as herein provided, and Debtor shall pay an amount equal to the cost thereof to Secured Party on demand by Secured Party. Payment of all moneys hereunder shall be secured by the Collateral.

(e) Unless any instrument, document, or agreement evidencing any Indebtedness expressly provides a rate for the accrual of interest after such Indebtedness becomes due, the rate at which interest on such Indebtedness shall accrue after such Indebtedness becomes due, whether by reason of default or otherwise and until such Indebtedness is paid in full, shall be the rate provided in such instrument, document, or agreement which is in effect immediately prior to such Indebtedness becoming due.

(f) No course of dealing between Debtor and Secured Party and no delay or omission by Secured Party in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Secured Party may remedy any default by Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of Secured Party hereunder are cumulative.

(g) Secured Party shall have no obligation to take, and Debtor shall have the sole responsibility for taking any and all steps to preserve rights against any and all prior parties to any Instrument or Chattel Paper constituting Collateral whether or not in Secured Party's possession. Secured Party shall not be responsible to Debtor for loss or damage resulting from Secured Party's failure to enforce or collect any such Collateral or to collect any moneys due or to become due thereunder. Debtor waives protest of any Instrument constituting Collateral at any time held by Secured Party on which Debtor is in any way liable and waives notice of any other action taken by Secured Party.

(h) Debtor authorizes Secured Party, without notice or demand and without affecting Debtor's obligations hereunder, from time to time: (i) to exchange, enforce or release any collateral or any part thereof (other than the Collateral) taken from any party for payment of the Indebtedness or any part thereof; (ii) to release, substitute or modify any obligation of any indorser, guarantor or other party in any way obligated to pay the Indebtedness or any part thereof, or any party who has given any security, mortgage or other interest in any other Collateral as security for the payment of the Indebtedness or any part thereof, (iii) upon the occurrence of any Event of Default as herein above provided, to direct the order or manner of disposition of the Collateral and any and all other Collateral and the enforcement of any and all indorsements, guaranties and other obligations relating to the Indebtedness or any part thereof as Secured Party, in its sole discretion, may determine; and (iv) to determine how, when and what application of payments and credits, if any, shall be made on the Indebtedness or any part thereof.

(i) The rights and benefits of Secured Party hereunder shall, if Secured Party so directs, inure to any party acquiring any interest in the Indebtedness or any part thereof.

(j) Secured Party and Debtor as used herein shall include the heirs, executors or administrators, or successors or assigns, of those parties.

(k) If more than one Debtor executes this Security Agreement, the term "Debtor" shall include each as well as all of them and their obligations, warranties and representations hereunder shall be joint and several.

(l) No modification, rescission, waiver, release or amendment of any provision of this Security Agreement shall be made, except by a written agreement subscribed by Debtor and by a duly authorized officer of Secured Party.

(m) This Security Agreement and the transactions evidenced hereby shall be construed in accordance with and governed by the internal laws of New York State, as the same may from time to time be in effect without regard to its principles of conflicts of laws.

(n) All terms, unless otherwise defined in this Security Agreement, shall have the definitions set forth in the Uniform Commercial Code adopted in New York State, as the same may from time to time be in effect.

(o) Debtor authorizes Secured Party to request other secured parties of Debtor to provide accountings, confirmations of the Collateral and confirmations of statements of account concerning Debtor. Debtor hereby designates and appoints Secured Party and its designees as attorney-in-fact of Debtor, irrevocably and with power of substitution, with authority to endorse Debtor's name on requests to other secured parties of Debtor for accountings, confirmations of collateral and confirmations of statements of account.

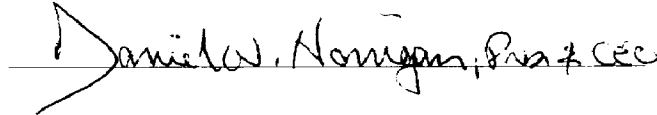
(p) Debtor hereby irrevocably appoints Secured Party the Debtor's agent with full power, in the same manner, to the same extent and with the same effect as if Debtor were to do the same: to receive and collect, after the occurrence and during the continuation of an Event of Default, all mail addressed to Debtor, to direct the place of delivery thereof to any location designated by Secured Party; to open such mail; to remove all contents therefrom; to retain all contents thereof constituting or relating to the Collateral; and to perform all other acts which Secured Party deems appropriate to protect, preserve and realize upon the

Collateral. The agency hereby created is unconditional and shall not terminate until all of the Indebtedness is paid in full and until all commitments by Secured Party to lend funds to Debtor have expired or been terminated. This power of attorney shall not be affected by the subsequent disability or incompetence of Debtor.

(q) If, after receipt of any payment of all or any part of the Indebtedness, Secured Party is for any reason compelled to surrender such payment to any person or entity, because such payment is determined to be void or voidable as a preference, impermissible setoff, or a diversion of trust funds, or for any other reason, this Security Agreement shall continue in full force notwithstanding any contrary action which may have been taken by Secured Party in reliance upon such payment, and any such contrary action so taken shall be without prejudice to Secured Party's rights under this Security Agreement and shall be deemed to have been conditioned upon such payment having become final and irrevocable.

12. Waiver of Jury Trial. DEBTOR AND SECURED PARTY HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHT TO TRIAL BY JURY DEBTOR AND SECURED PARTY MAY HAVE IN ANY ACTION OR PROCEEDING, IN LAW OR IN EQUITY, IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTIONS RELATED HERETO. DEBTOR REPRESENTS AND WARRANTS THAT NO REPRESENTATIVE OR AGENT OF SECURED PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SECURED PARTY WILL NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THIS JURY TRIAL WAIVER. DEBTOR ACKNOWLEDGES THAT SECURED PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE PROVISIONS OF THIS SECTION.

MATRX MEDICAL INC.



By: Daniel W. Horrigan
Title: President and CEO

Schedule

PATENTS

PATENT NO.	TITLE	ISSUE DATE
D 451,598	Analgesia Machine	December 4, 2001

U.S. TRADEMARK REGISTRATIONS

U.S. TRADEMARK	REGISTRATION NO.	REGISTRATION DATE
HOPE	815,954	September 27, 1966
VIP 3000	2,185,957	September 1, 1998
QUANTIFLEX	729,524	April 3, 1962

FOREIGN TRADEMARK REGISTRATIONS

TRADEMARK	COUNTRY	REGISTRATION NO.	REGISTRATION DATE
HOPE	Canada	399,637	June 26, 1992

1183978.01